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April 5, 2006

Office of the Secretary
Federal Trade Commission
Room H – 135 (Annex H)
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Re: Food Industry Marketing to Children and Adolescents Report to Congress - Comment, Project No. P064504

Dear Sir or Madam:

Enclosed is the Grocery Manufacturers Association's ("GMA") comment in response to the Federal Trade Commission's request for comment on the topic of Food Industry Marketing to Children and Adolescents. We appreciate the work the Commission is doing to understand the complexities of this issue and look forward to working jointly to address any concerns.

Sincerely yours,

William C. MacLeod

Enclosures

Comments of the Grocery Manufacturers Association

Federal Trade Commission Request for Information and Comment on Food Industry Marketing to Children and Adolescents Comment - Project No. P064504

Introduction

The Grocery Manufacturers Association ("GMA") is pleased to provide these comments for the record in response to the Federal Trade Commission's ("FTC" or "Commission") Request for Information and Comment ("Request") in connection with the Conference Report of Public Law 109-108 (Food Industry Marketing to Children and Adolescents Report to Congress – Comment, Project No. P064504). The Commission has requested publicly available information on the nature and extent of marketing activities and expenditures targeted to children and adolescents. More specifically, the FTC has requested comments on how food and beverage companies record and maintain information about their marketing activities, commercial advertising time, information about children's exposure to products through the use of other marketing techniques, and any other expenditures targeted to children and adolescents.

GMA is the world's largest association of food, beverage, and consumer product companies. With annual sales of more than \$680 billion, GMA members employ more than 2.5 million workers in all 50 states. The organization applies legal, scientific, and political expertise from its member companies to vital food, nutrition, and public policy issues affecting the industry. GMA is led by a Board of member company chief executives. GMA speaks for food and consumer product manufacturers at the state, federal, and international levels on legislative and regulatory issues.

This comment provides a guide to sources of information with respect to trends of advertising and marketing to audiences that often include children and adolescents in six distinct categories. Generally, GMA believes the Commission will find that when such activities reach economically meaningful and measurable levels, firms evolve to facilitate those activities and reporting services evolve to report on them. If the activity occurs at de minimis levels, or not at all, firms will not offer it and sources will not measure it, because demand would be inadequate for services or information associated with it. For this reason, and because of the significant burden that would be imposed on industry searching for indications of insignificant activity, GMA suggests using the existence of independent sources as an indicator of the value of the information and the need to collect it. Locating and measuring small expenditures and isolated activities becomes more costly when the activity is scarce. It is easier to identify the haystack of television advertising than the needle of payments for preferential shelf placement directed toward children and adolescents – if that needle exists at all. Accordingly, GMA believes that

¹ Television, radio, and print media; In-store marketing and preferential shelf placement; Events; Promotions on packaging; Internet activities; Product placement.

the available public sources of information relating to these trends may serve simultaneously as the least burdensome and most effective measures of these activities.²

1. Television, radio, and print media

In general, because of the longevity, reliability, and efficiency of third party firms, the FTC is likely to find these measures as the most reliable measures of aggregate ratings information on television, radio, and print media.

- **A.** Nielsen Media Research (www.nielsenmedia.com). Nielsen Media Research ("NMR") tracks television and media-viewing habits of homes across the United States. NMR produces a variety of reports that may be helpful to the Commission including a list of the top 150 advertisers on television by expenditure, broken out by product category or the number of commercials viewed by a specific age group broken out by product category over a given span of years.
- **B.** <u>Information Resources, Inc.</u> (http://us.infores.com). Information Resources, Inc. ("IRI") provides a number of measurement services including "market content and analytic services [that] provide . . . market and consumer insights" that may assist the Commission in its data gathering regarding the television audience. For example, IRI's BehaviorScan® DVR Service is designed to "enable national advertisers to quantify impact of DVR technology adoption on ad effectiveness."
- C. <u>Arbitron</u> (www.arbitron.com). Arbitron is an international media and marketing research firm that specializes in tracking radio ratings and quantitative statistics regarding radio advertising. It also "provides media and marketing research services to the broadcast television, magazine, newspaper and online industries." The ability to show historical trends, particularly in the field of radio, may make Arbitron reports of assistance to the Commission.

A significant advantage of the NMR measures is that they have the ability to show historical trends in the data. GMA commissioned an analysis of those trends, which found that expenditures and impressions had dropped significantly over the last decade. That analysis was provided by GMA to the FTC in last year's workshop, and it is attached to this comment.³

² By citing these sources, GMA is not expressing any opinion on the accuracy or quality of the information they contain, nor does the omission of any source imply that it is not worthy of mention.

³ See Appendix A, Comments of the GMA concerning the Federal Trade Commission and Department of Health and Human Services Public Workshop on Marketing, Self-Regulation & Childhood Obesity, Appendix G (July 2005).

2. In-store marketing and preferential shelf placement

A great deal of competition occurs in the form of promotional allowances for various retailer efforts to feature products on different shelves and in different parts of the store. Most of this activity is directed toward the shopper, not to the child or adolescent who may be along. Much of it is designed to encourage price competition at the retail level via such methods as preferential shelf placement, in-store couponing, or cross-promotions. Additionally, in-store marketing encourages retailers to feature certain products temporarily at ends of aisles and other specific locations in the store. Again, these are not promotions directed to children or adolescents, and there is little chance that it could be disaggregated in any reliable way.

There are three third party data collectors of in-store marketing information that produce reports or market services that the Commission may find useful.

- A. In-Store Marketing Institute (www.instoremarketer.org) The In-Store Marketing Institute ("ISMI") serves brand marketers, retailers, agencies, and manufacturers with information and educational events focused on improving retail marketing strategy. The organization's website provides an extensive list of available research articles.
- **B.** Information Resources, Inc. (http://us.infores.com). IRI provides a "suite of solutions" to assist manufacturers and retailers in measuring in-store sales trends and execution on a "store-by-store level."
- C. Point of Purchase Advertising Institute (www.popai.com). The Point of Purchase Advertising Institute ("POPAI") is an international trade association for the marketing at-retail industry. POPAI's website hosts a library of research and other information on the industry.

The type of information gathered that relates to in-store marketing generally focuses on promotional activities themselves and their effect on shoppers, rather than on people accompanying shoppers, largely because most in-store marketing is targeted at the shoppers alone. In fact, the Commission staff has extensively studied certain forms of promotional allowances to retailers. The Commission in 2001 and 2003 released reports on so-called "slotting allowances," and in one commented on the lack of effectiveness of this method of as a means of creating consumer demand.⁴ In the 2001 Report, the Commission staff cited

⁴ Federal Trade Commission Staff: Report on the Federal Trade Commission Workshop on Slotting Allowances and

Other Marketing Practices in the Grocery Industry (2001); Federal Trade Commission Staff: Slotting Allowances in the Retail Grocery Industry, Selected Case Studies in Five Product Categories (2003).

"concerns that slotting allowances are a relatively inefficient way of creating consumer demand. Slotting allowances are often perceived as less successful than advertising, discounts, or couponing for serving that purpose." 5

Given the amounts that companies spend on various performance-based promotions, trying to identify and allocate those expenditures to particular cohorts of the shopping public would be difficult, if not impossible. Adding the likelihood that such expenditures are a relatively inefficient way to promote to children and adolescents, GMA doubts that they would have any measurable effect compared to the trends observed in other media directed towards young audiences.

3. Events

Although some companies do sponsor events for the purpose of promoting products or brands, the activities and expenditures associated with events probably represent a small fraction of major media budgets. Moreover, events can span a wide range of purposes from product introductions to programs encouraging educational and physical activities. A list of some of the events and partnerships with sports, educational or scientific organizations GMA members have undertaken can be found in the report to the World Health Organization, ("WHO") attached as Appendix B.

The varied nature of event marketing itself, however, makes identification of the primary audience a difficult task. Of course events designed to include features of interest to children must take into account the fact that parents would be involved as well. As such, events directed to children will be few and far between, compared to the events directed to families and older consumers, further complicating attempts to distinguish between the two.

Below are two firms that produce publications that may assist the Commission in its study of this topic.

- **A.** <u>IEG</u> (www.sponsorship.com). IEG is a private organization devoted to studying, surveying, measuring, and promoting sponsorship. IEG produces a publication named the "IEG Sponsorship Report" and claims to have developed a "valuation protocol" that functions as an "objective" and "universal methodology that determines the fair market value of any sponsorship."
- **B.** Event Marketer (www.eventmarketer.com) Event Marketer is the publisher of Event Marketer Magazine, a publication devoted to "serve the information needs of brandside event marketers and agency executives across the spectrum of face-to-face

⁵ Federal Trade Commission Staff: Report on the Federal Trade Commission Workshop on Slotting Allowances and Other Marketing Practices in the Grocery Industry, p.26 n.84 (2001).

media." The magazine and the website feature articles focused on event marketing amongst other related topics.

4. Promotions on packaging

The Request asks for information regarding both product packaging generally and information about packaging that includes premiums such as toys and other prizes. Unlike advertising, which is tracked by media services and purchased in media markets, promotions draw from numerous sources within companies, which makes the measurement of spending devoted to them very difficult.

For information generally about labeling trends, GMA suggests that the Commission may find the following source to be of interest.

A. ACNielsen Label Trends (www2.acnielsen.com/site/index.shtml). ACNielsen Label Trends produces a number of reports and case studies. The organization publishes an annual survey of various activities related to labeling.

5. Internet activities

Two different third party vendors offer measurements of internet viewings by demographic categories, either of which may be able to provide valuable information to the Commission.

- **A.** <u>Nielsen Net Ratings</u> (www.nielsen-netratings.com). Nielsen Net Ratings includes information on web pages viewed by children and similar types of information.
- **B.** <u>Interactive Advertising Bureau</u> (www.iab.net). The Interactive Advertising Bureau ("IAB") claims to be "the only association dedicated to helping online, Interactive broadcasting, email, wireless and Interactive television media companies increase their revenues."

Using information from Nielsen Net Ratings, GMA commissioned an analysis of web viewing by children. That study found that web viewings remain miniscule compared to the impressions children gain from television.⁶

6. Product placement

There are at least two third party firms that attempt to quantify trends in product placement that might be helpful to the Commission.

A. <u>Nielsen Media Research</u> (www.nielsenmedia.com). NMR markets a product named "Place*Views" that allows the purchaser to "track product placement on primetime

⁶ For an example of the use of the Nielsen Net Ratings, see Appendix A.

entertainment TV programming for the six broadcast networks and select cable programs." The product is designed to "find out when, where and how each placement occurred," as well as providing "audience rating[s] at the time of the placement." NMR has been tracking product placements on the major networks since 2003.

B. <u>iTVX</u> (www.itvx.com). iTVX is a media research firm that sells tools designed to reflect the quality of a company's product placement exposure.

GMA has previously advocated the prohibition of paid product placements on children's programming to the Commission.⁷

Conclusion

There are a plethora of resources available on the various forms of marketing of food and beverages. GMA hopes the information about them contained in this comment will help the Commission as it seeks to answer the questions posed in its Request.

Should the Commission find in the course of its study that the assistance of GMA would be helpful in collecting information from its members, GMA would be glad to help. The research provided by GMA in connection with the Commission's 2005 workshop was the first analysis that measured trends on both traditional television and new web-based media. That analysis showed that children's exposure to marketing of foods and beverages has fallen significantly, even taking into account the growth of new media. We believe the Commission's inquiry into other forms of marketing and promotion will reinforce the findings that GMA reached last year.

⁷ See Appendix C, Written Submission of Manly Molpus President and CEO, GMA: On Behalf of Campbell Soup Company; General Mills, Inc.; The Hershey Company; Kellogg Company; Kraft Foods Inc.; Nestlé USA; PepsiCo, Inc.; Sara Lee Corporation; Unilever United States, Inc. Federal Trade Commission and Department of Health and Human Services Public Workshop on Marketing, Self Regulation and Childhood Obesity (July 15, 2005).

APPENDIX A

To Comments of the Grocery Manufacturers Association

FTC Request for Information and Comment on Food Industry Marketing to Children and Adolescents Comment - Project No. P064504

Comments of Grocery Manufacturers Association

concerning the

Federal Trade Commission and Department of Health and Human Services Public Workshop

on

Marketing, Self-Regulation & Childhood Obesity

July 14 and 15, 2005

Food Marketing to Kids Workshop -- Comment, Project No. P034519

> William MacLeod, Esq. Jill Samuels, Esq. Collier Shannon Scott, PLLC

Comments of Grocery Manufacturers Association

Federal Trade Commission and Department of Health and Human Services Public Workshop

On

Marketing, Self-Regulation & Childhood Obesity

The Grocery Manufacturers Association is pleased to submit comments for the record of the Public Workshop to be held July 14 and 15, 2005 entitled, "Marketing, Self-Regulation & Childhood Obesity," sponsored by the Federal Trade Commission and the Department of Health and Human Services. These comments A) describe GMA's and its members' commitment to fighting obesity; B) summarize our current activities to foster health and nutrition; C) outline the role of self-regulation in promoting responsible advertising, including to children; and D) discuss how advertising will be part of the solution to the problem of obesity. We look forward to the Workshop as an opportunity to raise awareness of GMA's and its members' current efforts, introduce new information and future initiatives, and learn from other participants in this important discussion.

Fighting obesity, in children and adults, is a public health issue of paramount importance to GMA and its member companies. An effective solution to the problem requires a comprehensive approach incorporating sound nutrition, increased physical activity, consumer education, and community support. Above all, the focus should be on giving parents and teachers the information they need to ensure that their children and students eat a nutritionally balanced diet and get the right amount of physical activity. The industry recognizes that it can help combat obesity by providing this information and by intensifying efforts to offer a wide range of nutritious products.

A great transformation is sweeping the food and beverage industry today. At the very moment that consumers are clamoring for information about nutrition and health, the United States Department of Agriculture ("USDA") and the United States Department of Health and Human Services ("HHS") have issued new dietary guidelines, the USDA revised its Food Guide Pyramid, the Food and Drug Administration ("FDA") is amending its labeling policies, schools are examining their diet and fitness programs, and policy makers at state and federal levels are considering ways to assist consumers in finding solutions to their concerns. The advertising and labeling of food and beverages is an important source of the information parents and children receive about the choices that contribute to healthy lifestyles. A competitive marketplace is the most effective medium to deliver information about those choices.

Sections A and B contain information relevant to Education and Plans/Proposals for New Initiatives, as requested in the Federal Register Notice announcing the Workshop.

Section C contains information relevant to Individual Company Self-Regulatory Efforts & Best Marketing Practices and Existing Industry-Wide Self-Regulatory Programs, as requested in the Federal Register Notice announcing the Workshop.

Section D contains information relevant to Research on Impact of Marketing on Child Health, as requested in the Federal Register Notice announcing the Workshop.

The Grocery Manufacturers Association represents the world's leading branded food, beverage and consumer products companies. Since 1908, GMA has been an advocate for its members on public policy issues and has championed initiatives to increase industrywide productivity and growth. GMA member companies employ more than 2.5 million workers in all 50 states and account for more than \$680 billion in sales. GMA is led by a board of member company chief executives.⁴

A. GMA's Commitment

The CEOs on the GMA Board have adopted a global strategy on food and health that states our resolve in no uncertain terms:

The food and beverage industry is committed to helping arrest and reverse the growth of obesity around the world. Achieving this goal will require multiple strategies, the integrated efforts of many sectors and long-term resolve. We are committed to doing our part and will support others in doing theirs.

GMA members recognize that they can make a significant contribution by providing a wide range of nutritious product choices and marketing these choices in ways that promote healthy lifestyles. They are committed to using their scientific knowledge and technological expertise to continue to research, develop and offer, in all distribution channels, a range of food and beverage products to meet many consumer needs, including nutrition, taste, convenience and value.

Consumer education is a key component of any effort to encourage healthier lifestyles. GMA members' commitment to promoting improved understanding of nutrition incorporates all of the following:

- Communicating nutritional information clearly in labeling, packaging, and advertising to enable consumers to make informed choices that best meet their lifestyle needs and physical activity levels;
- Employing a variety of communication tools, including nutrition labeling, in-store communications, customer care line and website information;
- Advertising responsibly, and continuing to take into account the special needs of children;
- Encouraging effective voluntary, national self-regulatory mechanisms promoting responsible advertising and marketing;

See <u>www.gmabrands.com</u>, excerpted at Appendix A, for additional information on the resources that GMA and its members are making available to the public.

- Working with partners, including retailers, government and health professionals to extend healthy lifestyle messages; and
- Supporting efforts to increase physical activity and enhance nutrition education through partnerships with public health authorities, healthcare and educational organizations, government, and others.

GMA and its Board have also endorsed broader recommendations for fighting obesity that apply not just to food and beverage manufacturers, but also to employers, educators, nutrition and health experts, and public health officials. We must all work together to do the following:

- Incorporate physical activity and nutrition education in our nation's schools;
- Continue to find additional ways to encourage people to incorporate physical activity in their daily lives;
- Educate the public on the connection between calories consumed and calories burned;
- Raise consumer awareness of proper serving sizes;
- Encourage employers to promote employee wellness; and
- Address the needs of different population subgroups.

These recommendations reflect that the fact that no single measure can be expected to solve the problem of obesity. Multiple strategies and the commitment of many stakeholders will be necessary to address this important public health issue.

B. GMA and Members' Activities

<u>Implementing and Promoting New Labels and Guidelines</u>

GMA and its members have worked to shape public policy regarding food labeling and health claims by encouraging the free flow of truthful information on food labels and in advertising. GMA has supported FDA in requiring labeling of trans fat and allowing qualified health claims.

Following the release of the new Food Guidance System earlier this year, GMA announced an initiative to help promote its use. Specifically, GMA members are using their expertise in marketing, nutrition science and product development to help consumers adopt the recommendations of the USDA's Food Guide. The industry is:

• Increasing the use of whole grains, reducing saturated and trans fats, and reducing sodium content in its products; as well as introducing lower-sugar options and providing fruits and vegetables in convenient packaging;

- Using product labeling, marketing campaigns and other resources to inform consumers about how products they purchase meet the Food Guide's nutrition recommendations;
- Sponsoring education campaigns to increase awareness and adoption of the Food Guide's recommendations; and
- Displaying the Food Guide Pyramid and accompanying information on millions of products and messages that consumers will see millions of times in their stores and in their homes.

As part of this initiative, GMA will launch major public service programs, including a nationwide education campaign with Weekly Reader Corporation Consumer and Custom Publishing ("WRCC&CP") to promote the Food Guidance System to students, teachers, and families. GMA and WRCC&CP will distribute materials to *Weekly Reader* teacher subscribers consisting of a teacher's guide and student activities, as well as a parent takehome component in both English and Spanish. The materials will include math, nutrition, and science activities. WRCC&CP estimates this education campaign alone will reach more than 4 million students.

Improving Food Labels

With a grant to the International Food Information Council, GMA has sponsored research into how consumers use labels on products for nutrition information. This study has provided the Food and Drug Administration ("FDA") and our member companies with valuable assistance in developing labels that will better communicate calorie and serving size information.

Overall, GMA's positions on labeling are based on a fundamental objective – to empower consumers to make smart choices by providing clear, accurate information about nutrition. Consumers themselves are the ultimate decision-makers in the battle against obesity. They have a keen interest in health information, and manufacturers can better satisfy this interest by ensuring that nutrition information is communicated effectively. In a recent example of innovative and effective communication, several companies have developed graphics signifying healthier choices that appear on product labels or on instore signage.⁵

American Council for Fitness and Nutrition

In 2003, GMA and many member companies founded the American Council for Fitness and Nutrition ("ACFN)," a nonprofit organization dedicated to promoting balanced fitness and nutrition. Now representing over 100 companies and organizations, ACFN is led by Dr. Susan Finn, a past president of the American Dietetic Association, and is guided by an Advisory Board of experts in the fields of nutrition, physical activity, and

See http://www.gmabrands.com/publicpolicy/obesity_ci.cfm for links to member company sites that describe these and other programs.

behavior change. ACFN brings food and beverage companies, trade associations, and health and nutrition advocacy groups together to develop comprehensive and sustainable solutions for reducing and preventing obesity.

Among its many initiatives, ACFN this year launched a panel discussion series entitled, "Trends, Resources and Inspiration for Understanding and Maintaining Physical Health" or "TRIUMPH," to convene organizations that are inspiring adults and children to embrace healthier lifestyles. In 2004, ACFN developed programs designed to educate Hispanic and African-American children and families, in a culturally appropriate manner, about healthy living. These are just a few of the activities ACFN, with the support of the industry, has undertaken to promote nutrition and fitness.

Other Public Policy Activities

At the federal level, GMA supported the Improved Nutrition and Physical Activity or "IMPACT" Act. The Act provides funds for community programs designed to research, prevent, and treat obesity.

In light of recent proposals to restrict certain foods and beverages in schools, GMA and its members have developed an Industry Position Statement on School Wellness Policy. The School Wellness Policy reiterates food and beverage manufacturers' commitment to working alongside educators to promote healthful eating and active lifestyles as part of a comprehensive student wellness policy. Industry members also pledge to continue to develop and offer students healthful food and beverage options as well as age-appropriate serving sizes.

Member Companies' Activities

GMA members are responding to the call for foods that will help consumers strike a healthy balance in their daily diets. Members compete intensively to meet consumers' demand for new products that combine taste, convenience, and nutrition. Around the country, companies are:

- Removing trans fat from products;
- Reformulating products to reduce calories, fat and sugars, lower cholesterol, and add vitamins, minerals, whole grains and fiber; and
- Offering new choices for smaller product package sizes.

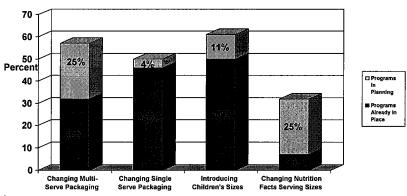
Last summer, GMA surveyed 84 of the nation's largest food and beverage companies about the initiatives they have undertaken to help consumers live healthier lifestyles.⁷ Thirty companies responded, representing \$200 billion in annual sales. Ninety-seven

⁶ Attached as Appendix B.

The survey report entitled, "GMA Members: Part of the Solution," is attached as Appendix C.

percent of survey respondents said they were marketing improved products; these companies had improved nutrition in more than 3,000 products and sizes since 2002. More than half are making changes to multi-serve package sizes to help consumers manage their caloric intake. Fifty percent of respondents had created sizes for children, and another 11% had plans to reduce sizes for children.

Members Changing Product Package Sizes



*28 companies reported; products counted by SKUs

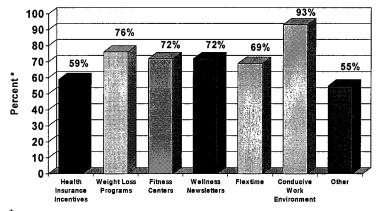
The survey also showed that companies are working to educate consumers about nutrition. By summer of 2004, more than 90 percent were promoting healthy lifestyles. Many are sponsoring specific programs promoting nutrition education and physical activity, particularly aimed at schools and local communities. For example:

- The General Mills Foundation, in partnership with the American Dietetic Association Foundation, has created the Champion Youth Nutrition Fitness Program. The program awards \$500,000 in grants each year to community-based programs across the United States that give children lifelong skills they need to eat a balanced diet and exercise regularly.
- The Coca-Cola Company and Kraft Foods together have made a combined five-year, \$12 million commitment to the Boys & Girls Clubs of America in support of Triple Play, a national after-school program developed in collaboration with the U.S. Department of Health & Human Services. Launched in March 2005, the program will be available to more than four million Boys & Girls Club members in all 50 states, plus Puerto Rico, the Virgin Islands and certain domestic and international military facilities.
- In partnership with the University of North Carolina at Chapel Hill, Gatorade sponsors a multiyear, multimillion dollar research, education, and outreach effort called Get Kids in Action. The program studies the ways that families, physicians, and community leaders can effectively get children to become more active. In support of Get Kids in Action, Gatorade offers kids ages 8 to 12 scholarships to sports camps at leading universities.

• Kellogg Company promotes healthy lifestyles through several programs. Examples include: Zumbando con Kellogg's, which combines dance fitness and nutrition education and is specifically designed for Latino families; and Earn Your Stripes, a campaign featuring sports stars like Mia Hamm, Kevin Garnett and Tony Hawk (all supported by Tony the Tiger), that encourages kids to get physically fit, eat right, and work hard. In addition, Kellogg's recently announced its sponsorship of "Girls on the Run," an after school program for girls 8-11 that focuses on running games and workouts, culminating in a 5K race.

GMA members also foster good health and nutrition among their employees. Most member companies sponsor employee wellness programs, providing health and fitness benefits to their workforces. Of the survey respondents, 76% offered their employees weight loss programs; 72% offered fitness center benefits; and 59% offered health insurance incentives.

GMA Members Provide Employee Wellness Programs



^{*29} companies reported; products counted by SKUs

These data demonstrate that GMA members strive to promote health and nutrition to all consumers, including employees. In the year since these results were collected, members have intensified their efforts to launch new products and programs. GMA is collecting the latest information now, and will be in a position by the time of the workshop in July to report the current levels of member companies' commitment to healthy lifestyle initiatives.

C. The Role of Responsible Advertising in Promoting Health and Nutrition

Research has often noted that companies competing for consumers' purchases are the most effective source of information about health and nutrition.⁸ The current

See, e.g. Pauline Ippolito and Alan Mathios, Health Claims in Advertising and Labeling: A Study of the Cereal Market, FTC Bureau of Economics Staff Report (1989).

unprecedented attention to nutrition and health will bear out that finding yet again. The thousands of innovations and reformulations flowing into the market are made possible through advertising and marketing. Consumers will not choose options they are not aware they have. And they will not embrace options that fail to fulfill their expectations. Advertising is critical to attracting and informing consumers. Responsible advertising is critical to keeping them.

GMA and Member Companies' Guidelines and Policies

Every brand-name advertiser knows that effective advertising depends on consumers' trust and respect. Accordingly, the members of GMA have a longstanding commitment to responsible advertising and marketing practices. In keeping with that commitment, the GMA Board of Directors developed "General Principles in the Context of Food and Beverage Advertising" and "Additional Principles for Food and Beverage Advertising to Children" in November 2003. The package included an underlying philosophy on advertising as well as specific principles to guide advertisers. An excerpt from the Preamble and several of the Principles follows:

The members of GMA are committed to adhere to principles of responsible consumer communication, and have long subjected their advertising to rigorous internal review. Responding to public interest in transparency of advertising standards, GMA has drawn upon the experience of its members, and is publishing the core principles that we believe should guide the development; execution, placement and monitoring of food and beverage advertisements. GMA is offering these principles as a recommendation to all companies that advertise food and beverage products.

General Principles in the Context of Food and Beverage Product Advertising

- Food and beverage advertisements should not encourage or condone excess consumption and portion sizes should be appropriate to the setting portrayed.
- Food and beverage advertisements should not undermine the promotion of a healthy, active lifestyle.

Additional Principles for Food and Beverage Advertising to Children

- Food product advertisements should not undermine the role of parents and other appropriate adult role models in providing valuable dietary guidelines.
- Care should be taken not to exploit a child's imagination in a way that can encourage poor dietary habits;

The Principles are reviewed on an ongoing basis to ensure they meet the highest standards and are continuing to respond to parents' changing needs and concerns.

The full Principles are attached as Appendix D.

In addition to the Principles discussed above, GMA members comply with internal company policies and programs designed to ensure that communications to children are conducted responsibly. Another layer of self-regulation comes from the broadcast and cable television networks that maintain and apply standards, some specific to children, for commercials that appear on their programs.

NAD and CARU

The self-regulatory system managed by the National Advertising Review Council (NARC) deserves much of the credit for the truthful and responsible advertising that consumers see today. In the food and beverage sector, voluntary compliance with the decisions of the National Advertising Division (NAD) and the Children's Advertising Review Unit (CARU) ensures that advertising meets the highest standards of truth and accuracy.

Since it was founded in 1974, CARU has reviewed and reported on over 1000 advertisements directed to children, more than 150 of which involved food and beverages. CARU has informally consulted with food and beverage advertisers on hundreds of other ads. When it finds violations of its Self-Regulatory Guidelines for Children's Advertising ("CARU Guidelines"), CARU recommends changes to bring the ads into compliance. Advertisers' compliance with CARU's recommendations has been exceptional; the organization has a success rate of over 95% in resolving children's advertising issues. In rare instances of non-compliance, CARU refers the case to the Federal Trade Commission, which may investigate and bring action of its own. Thus, the system for self-regulation of advertising to children is strong and effective.

Even advertisers who have never been the subject of a CARU inquiry benefit from the guidance provided by its case decisions, which have addressed a range of issues involving health and nutrition, including advertisements that exaggerate the benefits of a food or beverage, or those that depict excessive consumption of snack foods. Moreover, industry adherence to CARU Guidelines has fostered advertising that promotes balanced diets and healthy life styles.

While many CARU Guidelines are potentially applicable to GMA members' advertising, the following Guidelines relating to Product Presentations and Claims specifically address advertising of food and beverages to children:

- The amount of product featured should be within reasonable levels for the situation depicted. *Guideline* 7.
- Representation of food products should be made so as to encourage sound use of the product with a view toward healthy development of the child and development of good nutritional practices. *Guideline* 8.
- Advertisements representing mealtime should clearly and adequately depict the role of the product within the framework of a balanced diet. *Guideline 9*.

• Snack foods should clearly be depicted as such, and not as substitutes for meals. Guideline 10.

CARU's sophisticated body of standards, which is continuously evolving, helps ensure that food and beverage advertising to children is truthful and accurate and reflects a balanced approach to health and nutrition.

In 2003, concerned that advertising self-regulation was not well-understood, GMA sent a formal request to NARC asking that it embark on a campaign to raise the visibility of its role in monitoring food and beverage advertising through NAD and CARU.¹⁰ In response, NARC published a white paper entitled, "Guidance for Food Advertising Self-Regulation."¹¹ The white paper gives an overview of NAD and CARU's history and case precedent in the area of food and beverage advertising and is an invaluable resource for those interested in learning how remarkably well self-regulation works.

International Chamber of Commerce

The organization that sponsors self-regulation around the world is the International Chamber of Commerce, ("ICC"), which drafts the codes and policies that guide self-regulatory organizations in dozens of countries. In the area of marketing, ICC has developed international codes covering advertising practices generally, as well as online advertising and marketing, sales promotion, direct marketing, sponsorship, environmental advertising, and marketing and social research. ICC also sets forth world business views on government initiatives affecting marketing and consumer protection.

In 2003, GMA, through the auspices of the United States Council for International Business, asked ICC to explain to self-regulators how its existing voluntary codes would apply to advertising of food and beverages. In July 2004, ICC responded by issuing the "Framework for Responsible Food and Beverage Communications." Based on this Framework, the European Advertising Standards Alliance is developing a Best Practice Recommendation on Food Advertising to be integrated into national advertising codes applied by self-regulatory organizations throughout Europe. ¹³

D. Role of Advertising in Combating Obesity

Responsible food and beverage advertising will play an important role in the battle against obesity. Advertising is a powerful and effective way to educate consumers about how the wide array of products available can help them meet their individual nutrition goals. Food and beverage marketers communicate healthy lifestyle messages through

Attached as Appendix E.

The white paper is available at http://www.narcpartners.org/narcwhitepaper.aspx.

Attached as Appendix F.

See EASA's Focus Newsletter, available at http://www.easa-alliance.org/news_views/en/newsletter 004 0604.html.

advertising using television commercials and print ads, websites devoted to health and nutrition, and logos signifying healthier choices that appear on product labels or in-store signage, to name a few. Marketers' use of varied communication tools and content help ensure that these messages reach and remain relevant for a wide range of consumers.

Advertising is also a critical element of the competition that drives innovation. The FTC has acknowledged the competitive benefits of advertising:

As health consequences become a more important consideration for consumers, food marketers have a powerful economic incentive to develop and market foods based on their nutritional attributes. These efforts, in turn, can provide consumers with even healthier products and more information about the health consequences of the foods they eat.¹⁴

GMA members will continue to address the obesity problem by offering new and innovative products – and using advertising to introduce those products to the market. Advertising will be critical to the success of these products. If manufacturers offering new alternatives cannot attract the attention of consumers, those alternatives will not survive in the marketplace. Only through effective, attention-getting messages, will consumers – adults and children alike – learn about new products and ideas. Moreover, several GMA member companies have taken voluntary steps to address public concerns about marketing to children. These measures highlight the potential for industry self-regulation, rather than government-mandated regulation, to ensure that children's advertising continues to be handled with appropriate sensitivity.

Role of Parents and Schools

When it comes to children, parents are a primary source of health and fitness information. Research suggests that parents' eating habits and nutrition knowledge exert a major influence over children's dietary habits.¹⁵ Parents must talk to their children about food and demonstrate the importance of balance – and as parents know, many of those conversations begin with a child's request for food. Whether the answer is "yes," "no," or "not now, maybe later," responding to a child who asks for a product seen in an ad is an opportunity for a parent to explain the choices that lead to good nutrition. A child

Comments of the Staff of the Bureau of Consumer Protection, the Bureau of Economics, and the Office of Policy Planning of the Federal Trade Commission before the Department of Health and Human Services, Food and Drug Administration, In the Matter of Obesity Working Group Public Workshop: Exploring the Link Between Weight Management and Food Labels and Packaging, Docket No. 2003N-0338 (Dec. 2003).

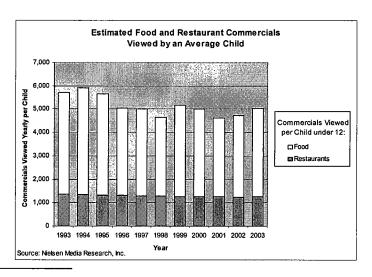
See, e.g., Todd J. Zywicki, Debra Holt, and Maureen K. Olhausen, Obesity and Advertising Policy, (Oct. 2004), George Mason Law & Economics Research Paper No. 04-45, available at http://ssrn.com/abstract=604781, for a review of the literature. See also Sonia Livingstone and Ellen Helsper, Advertising Foods to Children: Understanding Promotion in the Context of Children's Daily Lives, (June 2004), available at http://www.ofcom.org.uk/research/tv/reports/food_ads/?a=87101; Brian M. Young, Does Food Advertising Influence Children's Food Choices?, 22 Int'l J. Adver. 441-459 (2003).

curious about choices is more likely to learn the importance of choice. Advertising contributes to that curiosity. GMA members will continue to ensure that food and beverage advertising is responsible, and will always take into account the special sensitivities of children.

Schools are also powerful avenues for bringing health and fitness information to children. Schools should restore physical and nutrition education programs to encourage healthy activity and healthy eating across all parts of children's environment. In accordance with our School Wellness Policy, ¹⁶ GMA members will do our part by continuing to make healthful food and beverage choices available at schools.

Understanding the Facts

It is crucial that the debate about how food and beverage marketing affects kids be fact-based. Analysis and understanding of all the available research are necessary for development of appropriate and effective public policy recommendations in this area. Several recent public policy recommendations have relied upon erroneous assumptions about trends in advertising. Data collected by Nielsen Research and analyzed by Georgetown Economic Services for GMA and the Association of National Advertisers will be surprising to some who believe advertising has been rising in the last decade. The data showed that real expenditures for food, beverage and restaurant advertising on all television, including cable, have actually declined during the past decade. The analysis also concluded that the number of commercials for foods and restaurants seen by children under age 12 declined by 13 percent from 1994 to 2004.



See Appendix B.

See, e.g., Dale Kunkel, Brian L. Wilcox, Joanne Cantor, Edward Palmer, Report of the APA Task and onAdvertising Children, (Feb. 20, 2004), available Force http://www.apa.org/releases/childrenads.pdf, http://www.apa.org/releases/childrenads summary.pdf, http://www.apa.org/releases/childrenads_recommendations.pdf, http://www.apa.org/releases/childrenads implications.pdf; The Henry J. Kaiser Family Foundation, Issue Brief: Obesity, of Media in Childhood Role (Feb. 2004), available http://www.kff.org/entmedia/loader.cfm?url=/commonspot/security/getfile.cfm&PageID=32022.

Analysis attached as Appendix G.

The fact that children are seeing fewer food and restaurant advertisements today than they did ten years ago speaks volumes about the causes and remedies of the problem of obesity in the United States today. Advertising that has been steadily declining cannot explain obesity that has been rising.

Every remedy to the obesity trend, however, has one element in common — information. It is time to talk about food, health and nutrition. The conversation should include parents, teachers, public health officials, children, and the people who make the food and beverages we consume every day. Advertising will be an important part of that conversation. It will be an important part of the victory in America's battle with obesity.

* * *

GMA and its member companies appreciate the work the FTC and HHS are doing to understand the complexities of this issue. We look forward to contributing to the dialogue at the Workshop.

APPENDIX A



power of BRANDS the

about GMA

public POLICY

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NEWS EVENTS **PUBLICATIONS**

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GMA is the world's largest association of food, beverage and consumer product companies. With U.S. sales of more than \$500 billion, GMA members employ more than 2.5 million workers in all 50 states. Complete Member Listing »

June 8, 2005

WHAT'S NEW

Call to Action on CAFTA-DR

Visit our Legislative Action Center to learn more about CAFTA-DR and to contact your representative and senators in support of the measure.

- **GMA Letter to Congress on CAFTA-DR** More than 50 CEOs of food, beverage and consumer products companies send a letter to Congress calling for immediate approval of CAFTA-DR.
- Study on Children's Exposure to Food Ads

Data collected by Nielsen Media Research shows that children are viewing less food, beverage and restaurant advertising today than they were a decade ago.

Value Channels and the New Retail Landscape

Read how manufacturers can optimize the growth potential of value channels supercenters, club stores and dollar stores and how traditional retailers can position themselves to compete more effectively, in the May issue of GMA/IRI Times & Trends.

IS/LD Conference Wrap-up

Find out what industry executives had to say about streamlining supply chains to provide consumers with the products they need, when they need them, where they need them and at the price they want.

06/09/2005 Washington Breakfast Series Washington, DC

06/10/2005 **GMA** Associate Member **Council Meeting**

GMA Industry Affairs Council Meeting

GMA Government Affairs Council Meeting

White Sulphur Springs, WV 06/10/2005

GMA Executive Conference White Sulphur Springs, WV more »*

GMA PRESS RELEASES

PUBLICATIONS

SPOTLIGHT

[06/07/05]

GMA ENDORSES CAFTA-DR IN SENATE AG COMMITTEE LETTER more »

[05/26/05]

GMA & KROGER PARTNER WITH AMERICA'S SECOND HARVEST TO COMBAT HUNGER more »

[05/24/05]

GMA COMMENDS HOUSE FOR PASSING ANTI-**COUNTERFEITING BILL** more »

[05/11/05] **BUSH ADMINISTRATION,** SENATE LEADERS JOIN **FOOD INDUSTRY IN** SUPPORT OF CAFTA-DR more »

[05/10/05] **GMA CAFTA CEO LETTER** more »

NEWS ROOM »

PRESS RELEASES »

→ FORUM [M]



The latest issue of the Forum takes an indepth look at the concept of bringing "supermarket" and "consumercentric" together.

For a summary of highlighted articles and subscription information, click here.

∃ EXECUTIVE UPDATE [M] Executive Update provides

members with information on the latest GMA activities.

☑ STATE LEGISLATIVE REPORT [M]

State Legislative Report includes the latest news on bills and actions occurring in state legislatures across the country.

M SMARTBRIEF

GMASmartBrief

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☑ INTERNATIONAL TRADE

Find out what the food and beverage industry is doing to break down barriers in the global marketplace.

OBESITY

Learn what the food and beverage industry is doing to help reverse the incidence of obesity in America.

ADVERTISING

Read about efforts to ensure that food and beverage product advertising adheres to sound principles that help consumers make informed choices about their diet.

06/11/2005 **GMA Board of Directors** Meeting White Sulphur Springs, WV

06/20/2005 **Data Synchronization** Value Implementation Workshop Washington, DC more »

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>> Consumer Products Policy Committee	Cadbury Schweppes Americas Beve	GMA Government Affairs Council Meeting		
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	Dean Foods Company		White Sulphur Springs,	
	Del Monte Foods Company	WV more »		
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	General Mills, Inc.		06/11/2005 GMA Board of	
	George Weston Limited		Directors Meeting	
	Gorton's Seafood		White Sulphur Springs, WV	
	H.J. Heinz Company		06/20/2005	
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APPENDIX B



2401 PENNSYLVANRA AVE., SECOND FLOOR WASHINGTON, DC 20037. PHONE (202) 337-9400 FAX (202) 337-4508 www.gmabrands.com

Industry Position Statement on School Wellness Policy April 14, 2005 - FINAL VERSION

I. General Principles

- A. The food and beverage industry remains committed to improving student wellness and working alongside educators to promote healthful eating and active lifestyles as part of a comprehensive student wellness policy.
- B. The food and beverage industry looks forward to continuing its partnership with schools, in part by providing useful and timely health and nutrition information, and also by offering healthful food and beverage choices for students.
- C. The food and beverage industry supports the tenets of the Dietary Guidelines for Americans 2005, especially the major emphases of the Guidelines which call for:
 - getting adequate nutrients within calorie needs:
 - · increased physical activity levels;
 - increased intakes of fruits, vegetables, whole grains, and low-fat or fat-free dairy foods:
 - managing intakes of saturated fat, trans fat, cholesterol, sugars, and sodium.

II. Nutrition Education, Physical Activity and Wellness Policy

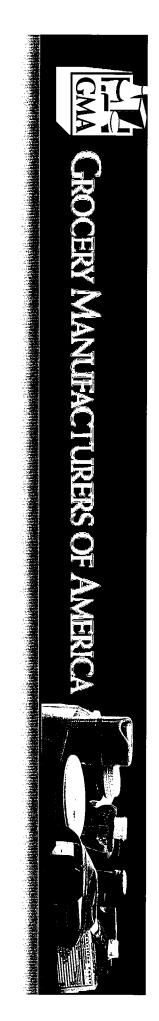
- A. In order to successfully address childhood obesity, the food and beverage industry supports Institute of Medicine and U.S. Department of Agriculture recommendations that school systems should work to address the factors that influence both eating and physical activity.
- B. The food and beverage industry pledges its creative resources to support curricula, programs and an educational environment that are designed to support healthful eating behaviors, improve students' ability to make healthful dietary choices and work in concert to increase students' physical activity.
- C. As part of its commitment to working alongside educators to promote healthful eating and active lifestyles among students, the food and beverage industry stands ready to work closely with school systems to preserve and maintain an educational environment that does not compromise educational objectives.

III. Foods and Beverages Sold in Schools

A. The food and beverage industry supports school systems' initiatives to adopt robust school wellness policies that address health, nutrition and fitness education, and supports the goals of schools that include adhering to Federal School Meal Program guidelines that require limiting access to "competitive foods" (i.e. foods sold outside the federal meal program).

- B. The food and beverage industry pledges to be responsive and respectful of individual school systems' choices regarding all food and beverages. Furthermore, the industry pledges to do its part to ensure that companies operate in compliance with federal, state and local requirements.
- C. To support school systems' initiatives to improve overall student wellness, the food and beverage industry will continue to develop and offer healthful food and beverage options as well as age-appropriate serving sizes.
- D. For all competitive foods, the food and beverage industry supports school wellness policies that include the following principles:
 - The sale of competitive foods and beverages during the school day in elementary, middle and high schools should emphasize options that meet the Dietary Guidelines' goals of moderating intake of calories, saturated fat, trans fat, cholesterol, sugars and sodium while encouraging fruits and vegetables, low and fat-free dairy, and whole grains.
 - Competitive food and beverage offerings should provide an age-appropriate mix that is also appropriate to the school level, with the product mix determined by school systems.
 - Elementary School: Emphasize options that are consistent with the Dietary Guidelines. This will help elementary-school-age students to form good nutritional habits.
 - Middle/High School: Ensure options that are consistent with the Dietary Guidelines are offered as part of a broad choice of foods and beverages. This will also allow middle- and high-school-age students to develop their ability to make their own healthful nutrition choices.
 - The food and beverage industry supports school policymakers' continued use of vending machines as a way for schools to maintain complete control over choices of offerings, as well as location and times of operation.

APPENDIX C



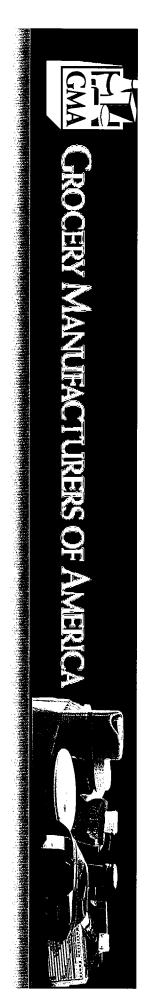
Part of the Solution GMA Members:

Collier Shannon Scott Georgetown Economic Services, LLC October 2004



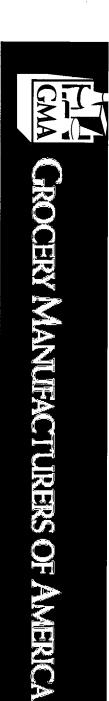
Methodology

- GMA surveyed 84 members during Summer 2004
- **30 Companies** responded (36% of those polled) to some parts of the survey obesity and improve nutrition and health Quantified initiatives being undertaken to help consumers combat
- Representing nearly \$200 billion in annual sales
- Approximately a third of the U.S. food and beverage industry sales



Subjects Surveyed

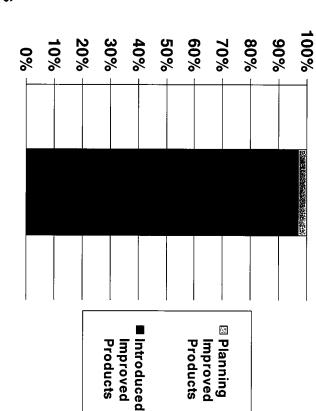
- Product Development
- Product Package Improvements
- Promoting Improved Products and Healthy Lifestyles
- **Providing Consumer Information Resources**
- Public Health Initiatives
- **Employee Wellness Initiatives**



100% of Respondents Are Improving Their Products 97% Already Have

- 97% of respondents have introduced or improved nutrition in over 3,000 products and sizes* since 2002
- 29% are new products
- 71% reformulated products
- Another 3% are planning new or improved products

All Respondents Contributing Products to the Health of America



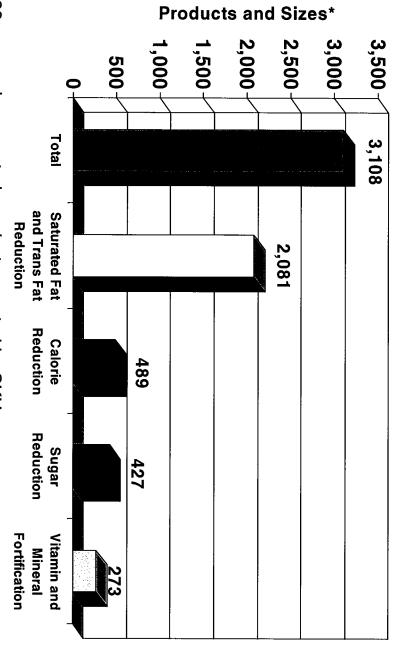
^{*29} companies reported; products counted by SKUs



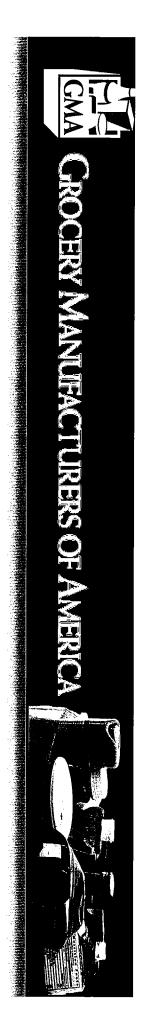
ROCERY MANUFACTURERS OF AMERICA



Nutritional Improvements



*29 companies reported; products counted by SKUs



Respondents Are Working with Retailers to Make Healthier Products

- 46% have developed more than 300 products and sizes with retailers*
- Another 11% are planning joint projects

^{*28} companies reported; products counted by SKUs



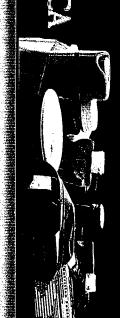


- 57% have changed multi-serve packaging or are in the process*
- 32% have changed over 100 products and sizes
- Another 25% are planning changes
- 50% have changed single-serve packaging or are in the process
- 46% have changed over 150 products and sizes
- Another 4% are planning changes

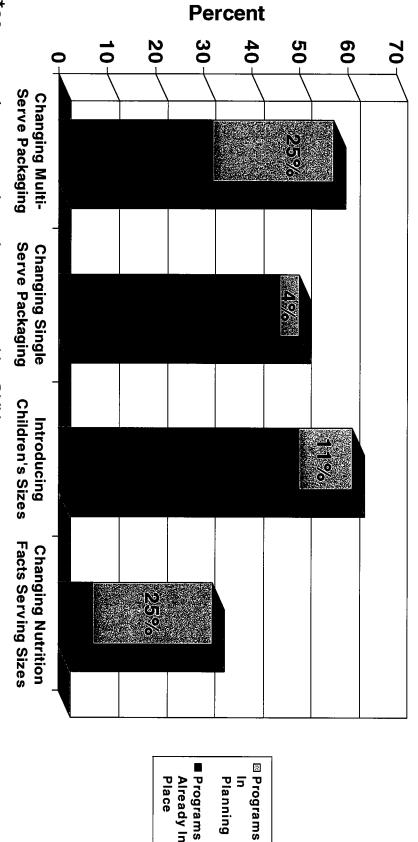
^{*28} companies reported; products counted by SKUs



JROCERY MANUFACTURERS OF AMERICA



Members Enhancing Product Packaging



■ Programs

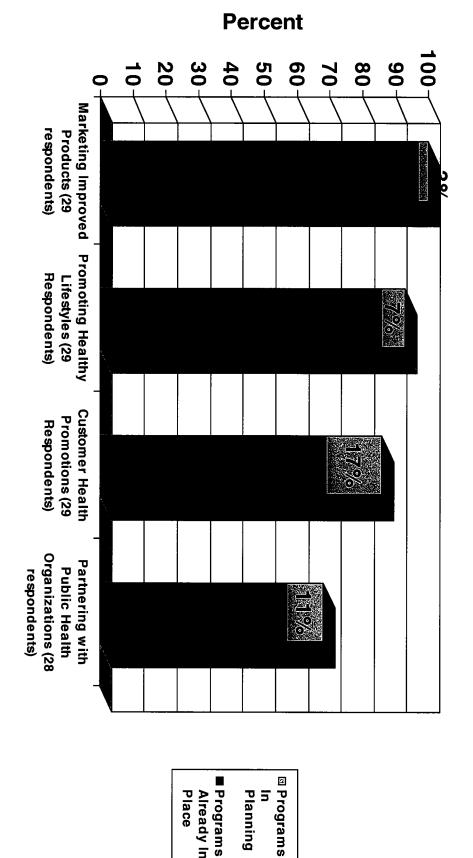
Already In

Planning

^{*28} companies reported; products counted by SKUs



Advertising and Promoting Nutrition and Health



■ Programs Planning

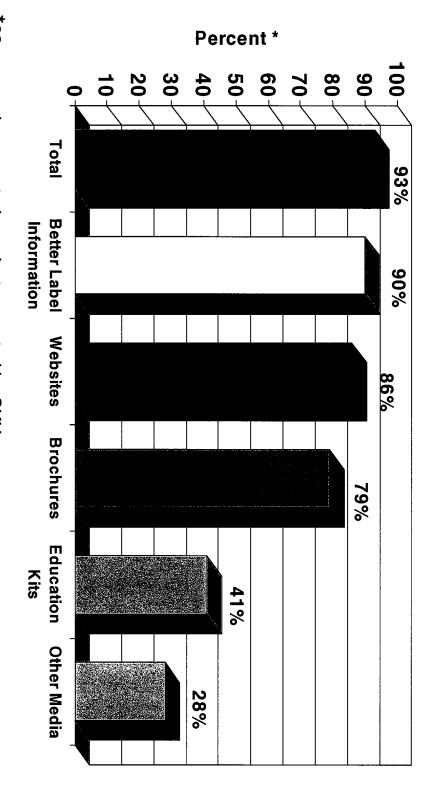
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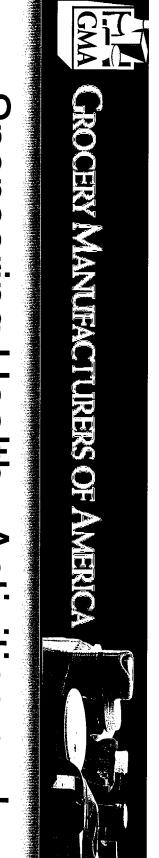
JROCERY MANUFACTURERS OF AMERICA



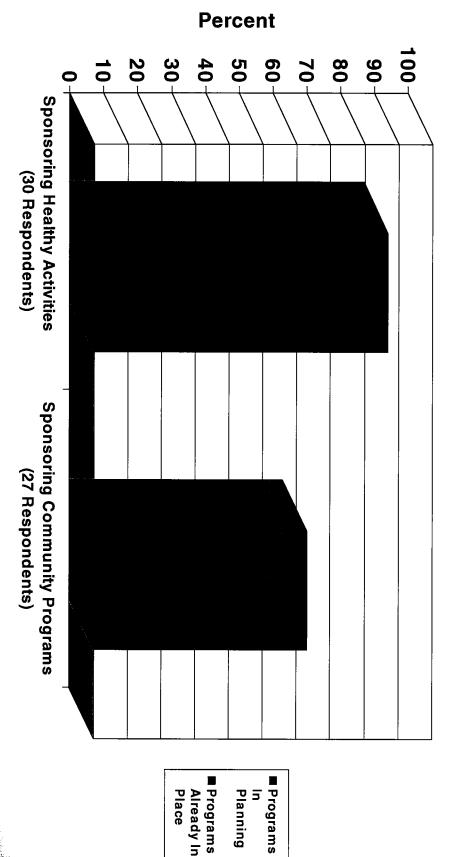
to Communicate Healthy Lifestyle Messages 93% of Respondents Use Many Media



^{*29} companies reported; products counted by SKUs



Sponsoring Healthy Activities and Community Programs



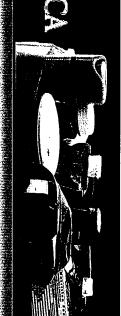


Examples of Sponsored Activities and Programs

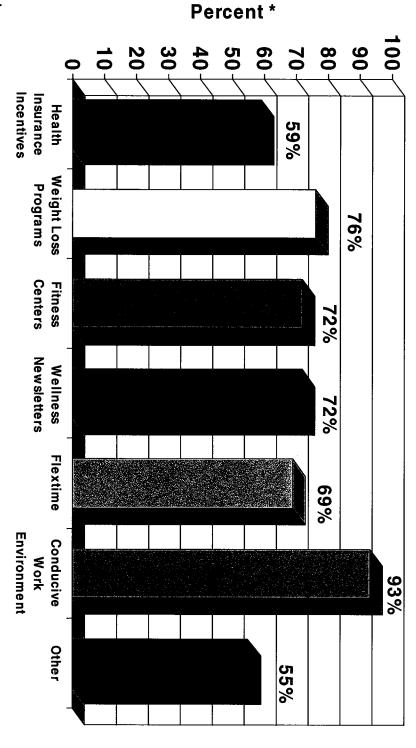
- Step With It pedometer program in schools
- General Mills Champions
- Camp Coca-Cola
- America on the Move
- Boys & Girls Club "Triple Play"
- News for Students Foundation
- National 4-H Healthy Lifestyles



JROCERY MANUFACTURERS OF AMERICA



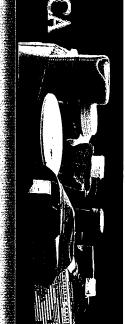
Employee Wellness Programs GMA Members Provide



^{*29} companies reported; products counted by SKUs

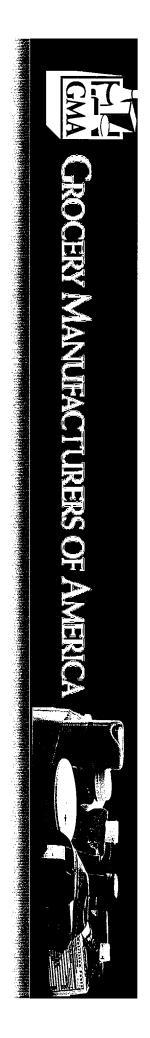


GMA GROCERY MANUFACTURERS OF AMERICA



Product Snapshot

- Low-fat Dinty Moore Stew from Hormel Foods Corp.
- Smartzone Nutrition Bars from Hershey Foods Entire portfolio of General Mills cereal is whole grain
- 7UP Plus from Cadbury Schweppes
- No TFA Frito-Lay salty snacks from PepsiCo
- Reduced Size Hot Pockets from Nestlé



Conclusion

- All Members Have New Products on the Shelves or in the Pipeline
- Consumers Need to Hear About These New Choices
- Members Are Changing Package and Portions Sizes
- Members Are Helping Their Employees Improve Their Health

Members Are Helping Their Communities Become Healthier

APPENDIX D

GMA PRINCIPLES OF FOOD AND BEVERAGE PRODUCT ADVERTISING

The members of the Grocery Manufacturers of America are committed to adhere to principles of responsible consumer communication, and have long subjected their advertising to rigorous internal review. Responding to the public interest in transparency of advertising standards, GMA has drawn upon the experience of its members, and is publishing the core principles that we believe should guide the development, execution, placement and monitoring of food and beverage advertisements. GMA is offering these principles as a recommendation to all companies that advertise food and beverage products.

The law requires advertising to be truthful and substantiated and prohibits advertising that misleads the audience to which it is presented. The principles listed below incorporate those mandates, and also reflect the best practices of the best programs that food and beverage companies apply to address the demands and circumstances of their consumers – both children and adults.

In addition to each company's own set of internal principles, grocery manufacturers have supported and will continue to support advertising self-regulatory organizations. GMA members will adhere to the sound standards set by such bodies as the National Advertising Division and the Children's Advertising Review Unit of the Council of Better Business Bureaus.

A person's health is affected by a multiplicity of factors, including genetic predisposition, dietary habits, activity level, and food availability. Information gained from advertising can, for example, help consumers make informed choices about their diets. This is because advertising can help convey information to consumers with respect to nutritional benefits, balance, moderation and variety, in addition to taste and enjoyment in a healthy diet. These principles are intended to help advertising play such a role. Public health is the responsibility of all stakeholders. The food and beverage industry is committed to playing its part by working with interested persons in empowering consumers to choose diets and levels of physical activity which can positively impact their health and well being. This will require multiple strategies, and the integrated efforts of manufacturers, retailers, public health officials, educators, dietary professionals, as well as many others.

Ultimately, what a person eats and how active a lifestyle is followed is a question of personal choice and individual responsibility. The food and beverage industry has committed itself to playing a positive role in helping consumers to make these choices with the benefit of advertising that adheres to sound fundamental principles.



PRINCIPLES OF FOOD AND BEVERAGE PRODUCT ADVERTISING

General Principles in the Context of Food and Beverage Advertising

- Copy, sound, and visual presentation of food products should accurately represent all
 material characteristics advertised -- including size, and content, as well as nutrition and
 health benefits and should not mislead consumers concerning any of those
 characteristics.
- 2. Nutrition and health benefit claims should have a sound scientific basis.
- 3. Food and beverage advertisements should not encourage or condone excess consumption and portion sizes should be appropriate to the setting portrayed.
- 4. Where a food or drink product is presented in the context of a meal, a reasonable variety of foods should be shown, to reflect generally accepted good dietary practice.
- 5. Food and beverage advertisements should not undermine the promotion of healthy, balanced diets.
- 6. Food and beverage advertisements should not undermine the promotion of a healthy, active lifestyle.
- 7. Food products not intended to be substitutes for meals should not be represented as such.



PRINCIPLES OF FOOD AND BEVERAGE PRODUCT ADVERTISING

Additional Principles for Food and Beverage Advertising to Children

The same principles that are applicable to general advertising also apply to advertising directed to children. Advertising is a valuable source of information to them as well, but advertisers must take into account the abilities and judgment that children at various stages of development can be expected to bring to the understanding of communications.

- 1. Advertisements should not mislead about potential benefits from the consumption of a product.
- 2. Food product advertisements should not undermine the role of parents and other appropriate adult role models in providing valuable dietary guidance.
- 3. Advertisements should not include any direct appeal to children to persuade their parents or other adults to buy advertised products for them.
- 4. Advertisements directed toward children should not create a sense of urgency.
- 5. While fantasy, including animation, is appropriate in communication with younger as well as older children, care should be taken not to exploit a child's imagination in a way that can encourage poor dietary habits.
- 6. Products derived from or associated with TV program content primarily directed to children should not be advertised during or adjacent to that program.
- 7. Broadcast or print media personalities (live or animated) should not be used to sell products, premiums or services in a way that obscures the distinction between program or editorial content and commercial promotion. For example, commercials or advertisements featuring characters from programs or publications primarily directed to children's should not be adjacent to programs or articles in which the same personality or character appears.

APPENDIX E



2401 PENNSYLVANIA AVE., NW SECOND FLOOR WASHINGTON, DC 20037 PHONE (202) 337-9400 FAX (202) 337-4508

C. Manly Molpus
PRESIDENT AND CEO

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October 23, 2003

Mr. James Guthrie, President National Advertising Review Council 70 West 36th Street, 17th Floor New York, NY 10018

Ms. Elizabeth Lascoutx, Director Children's Advertising Review Unit 70 West 36th Street, 17th Floor New York, NY 10018

Dear Mr. Guthrie and Ms. Lascoutx:

As you know, the rising incidence of obesity has become a major public health concern. The food industry is committed to helping arrest and reverse the growth of obesity around the world. Achieving this goal will require multiple strategies, the integrated efforts of many sectors, and long term resolve. We at the Grocery Manufacturers of America¹ are committed to doing our part and will support others in doing theirs.

Food advertising will play an important role in the battle against obesity. We believe self-regulation can, too. The self-regulatory system managed by the National Advertising Review Council ("NARC") deserves much of the credit for the truthful and responsible advertising that consumers see today. In the food sector, voluntary compliance with the decisions of the National Advertising Division (NAD) and the Children's Advertising Review Unit (CARU) ensures that advertising meets the highest standards of truth and accuracy. Moreover, adherence to CARU's Self-Regulatory Guidelines for children's Advertising has fostered advertising that promotes balanced diets and healthy life styles.

GMA is the world's largest association of food, beverage and consumer product companies. With U.S. sales of more than \$460 billion, GMA members employ more than 2.5 million workers in all 50 states. Led by a board of 42 Chief Executive Officers, GMA speaks for the industry at the state, federal and international levels on legislative and regulatory issues involving food, nutrition and public policy.

The effectiveness of self-regulation derives from stakeholders' appreciation of its role and advertisers' participation in its procedures. We think that both sources of strength can and should be enhanced. Most consumers, companies and policy makers probably are not aware of all that self-regulation has accomplished in the United States and do not appreciate its full potential to be a significant force in the future. It is time for self-regulation to get the recognition it deserves.

We urge NARC to embark on a campaign to raise the visibility of its role and to expand its monitoring of food and beverage advertising through NAD and CARU. More specifically, we are writing to urge CARU to publish a white paper explaining its principles, guidelines and decisions applicable to food advertising, we are asking CARU to focus its monitoring and educational efforts on the food sector, and we are announcing our commitment to enlist widespread support among food companies for self-regulation as administered by CARU and NAD.

The Challenge of Obesity and the Role of Self-regulation

Food and beverage companies place a high priority on researching and developing new ways to make favorable changes in the nutrition profile of people's favorite foods even healthier without sacrificing quality or taste. The industry has introduced thousands of products that provide options for consumers looking for ways to incorporate variety, balance and moderation in their diets.

Informing consumers about products and services available to them is essential if they are to enjoy the benefits of the options that food companies provide. Educating consumers, especially parents and their children, how to meet their individual needs, tastes and preferences through the proper balance of activity and nutrition empowers consumers to maintain a healthy weight. Advertising is an important means of communicating that information and a critical element of the competition that drives innovation.

The value of advertising and marketing is tied to the trust and respect that those messages command. Accordingly, the members of GMA have a longstanding commitment to responsible advertising and marketing practices. The food industry is continuing to ensure that its communications with consumers accurately portray the products and the benefits they deliver. For example, the industry is continuing to ensure that its advertising and marketing practices do not encourage overeating or inappropriate consumption of foods. In addition, the industry is seeking ways to utilize its marketing capabilities to communicate healthy lifestyle messages to consumers through multiple media (from labeling to advertising to websites) and many channels (from retail customers to workplace environments).

At times, questions can arise whether individual messages comply with the standards that consumers expect, and regulatory authorities may intervene. But government regulation cannot be expected to mandate all that we would like advertising to accomplish, and broad restrictions can inadvertently suppress information that could help consumers.

Self-regulation, however, is ideally suited to address the role of advertising and marketing in promoting healthful choices affecting diet, nutrition and life style. Voluntary compliance with advertising guidelines is likely to be more effective than deliberation, interpretation and litigation over statutes and regulations that attempt to advance the public interest by restricting or mandating commercial communications.

Successful Experience With Self-regulation

Cooperation with an independent authority is often the first and sometimes the most important phase of consumer-protection regulation of advertising and marketing in numerous countries around the world. Decisions, codes and guidelines issued by self-regulatory bodies cover a wide variety of advertising claims and marketing practices. Self-regulation protects consumers in many instances that left unchecked would otherwise call for government action. The Federal Trade Commission has observed that self-regulation is a legitimate complement to official law enforcement, and that it substantially lessens the burden on prosecutors who must police the marketplace and enforce the laws against unfair and deceptive claims. According to former FTC Chairman, Robert Pitofsky, NARC "is the best example of self-regulation that I am aware of in American History."

The food industry has long supported NAD's mission "to review national advertising for truthfulness and accuracy and foster public confidence in the credibility of advertising." Food manufacturers rely on the huge body of precedent from decades of decided cases, and endorse NAD's guiding principles, which include the following:

Advertisements must not be untrue, misleading, or deceptive, As a whole, an advertisement can be found misleading, even if every statement separately considered is literally true,

- Advertisements must not misrepresent material facts by omitting or obscuring important information, and
- All objective claims in advertisements must be substantiated.

Indeed, NAD's record is impressive. Since its formation in 1971, NAD has handled over 3400 cases. What is even more impressive is advertisers' willingness to adhere to NAD's findings. Over the last fifteen years, that compliance rate has exceeded 95%. For those who decide not to heed NAD's recommendations, the repercussions are swift. NAD and CARU not only publish their decisions alerting the public and other advertisers to questionable conduct; they also refer non-compliers to agencies like the Federal Trade Commission. The FTC has repeatedly stated that NAD/CARU-referred cases are taken seriously and are often considered before other corporate complaints that have not gone through the self-regulatory process.

Complementing NAD is the Children's Advertising Review Unit ("CARU"), which reviews and evaluates advertising directed to children under 12 years old. CARU accomplishes its mission by systematically monitoring thousands of broadcast and cable

television, radio, child-directed websites, and children's magazines. If an ad is deemed misleading, inaccurate or inconsistent with CARU's self-regulatory guidelines, CARU seeks change through the voluntary cooperation of advertisers. In the last five years, CARU investigated over 430 advertisements aimed towards children.

Like NAD, CARU enjoys a success rate exceeding 95% in resolving child advertisement issues. Non-compliance with CARU findings can result in a FTC or other government agency investigation. This success rate has been recognized and commended by many, including the FTC. For example, C. Lee Peeler, Deputy Director for the Bureau of Consumer Protection at the FTC said the following about CARU:

"As an advertising law enforcement official, I have always found it remarkable that, in the name of self-regulation, major national advertisers would voluntarily modify or discontinue their advertising to meet CARU's standards that sometimes go beyond existing law. CARU's twenty-five years of success demonstrates a sustained commitment to effective self-regulation. It is a record of accomplishment for which CARU supporters should be justifiably proud."

The NAD and CARU self-regulatory programs have proven to be extraordinarily effective. The industries' willingness to be self-governed, combined with the compliance incentives built into this self-regulatory process is a recipe for success. Explaining how this self-regulatory role affects advertising concerning diet, nutrition and life style is a natural and logical exercise for CARU, because the basic principles and guidelines are already in place. For example, CARU applies the following basic principles to all advertising it reviews:

- A recognition that advertising may play an important role in educating a child about health and well being,
- A recommendation that advertising address itself to beneficial social behavior, and
- An acknowledgment that parents retain prime responsibility for guiding their children.

Precedent from CARU and similar self-regulatory bodies can provide a framework for the proper treatment of the role of advertising in promoting a healthy life style. CARU, for example, has issued guidelines and has decided cases that can help mold the messages that young consumers receive on the importance of healthful diet and nutritional choices.

Guidelines and Cases Already Address Diet, Health and Nutrition

The following are excerpts from CARU's guidelines:

 Advertising "should not mislead children about product or performance characteristics... [including] nutritional benefits." Advertising "should not mislead children about the benefits from use ... [including] the acquisition of strength... growth... and intelligence." "The amount of a product featured should be within reasonable levels for the situation depicted."

- "Representations of food products should be made so as to encourage sound use
 of the product with a view toward healthy development of the child and
 development of good nutritional practices."
- "Advertisements representing mealtime should clearly and adequately depict the role of the product within the framework of a balanced diet."
- "Snack foods should be clearly represented as such, and not as substitutes for meals."

The following positions come from cases CARU has decided:

- Objection to a promotion that touted the more you eat the better your chance of winning,
- Objection to commercials that suggested snacks were more appealing than complete meals,
- Concern that advertisements for flavored drinks overstated their nutritional value,
- Objection to an advertisement that showed children eating excessive amounts of candy while watching television.

There can be no question that consumers of all ages are better off because the communications they receive pass through the filters of self-regulation. And some of these filters are only available through self-regulation. No law in the United States requires adherence to all these principles — indeed, it is unlikely that any law could effectively do so — yet food manufacturers overwhelmingly support them, and willingly comply with the decisions of CARU that implement them. Many of these companies market around the world. They are willing to commit to these principles and to self-regulation that applies them.

Enhancing Self-regulation Can Promote Healthy Behavior

Self-regulation of food advertising has evolved into a sophisticated body of standards that is respected by virtually all observers. But if it is to realize its full potential, self-regulation must be visible and widely accepted by consumers and businesses alike. The most effective way to influence advertising for the benefit of diet, nutrition and health is to advance and promote self-regulatory organizations like NAD and CARU in the United States and in other jurisdictions.

Because consumers of all ages depend on advertising for accurate information about the nutritional content and health benefits of food, the credibility of such claims is critical to their educational value. Candor and substantiation are keys to credibility. NAD has already produced a wealth of decisions and a series of publications that spell out in great detail how it distinguishes the truthful from the misleading and the baseless from the substantiated. The food industry urges NAD to continue these efforts.

Because consumers' attitudes toward diet and nutrition begin taking shape at an early age, messages that reach children are especially important. But the principles covering such advertising weave through years of decisions and unpublished consultations. Therefore, we think CARU should synthesize and publish its relevant consultations, decisions, codes and guides dealing with advertising directed to children. The food industry urges CARU to issue a white paper on advertising related to diet, nutrition and health, to publicize its policy so it is better understood and accepted, and to focus its reviews on these important issues.

We stand ready to support you in the efforts you decide to undertake.

Sincerely yours,

C. Manly Molpus

APPENDIX F

The world business organization

Department of Policy and Business Practices

ICC framework for responsible food and beverage communications

Introduction

The increasing worldwide attention to diet, nutrition and physical activity is of great significance to the international food and beverage community and to the broader business community of which it is a part. The following framework has been prepared by the Commission on Marketing and Advertising of the International Chamber of Commerce (ICC) to address some of the issues raised by these concerns.

The International Chamber of Commerce (ICC), as the world business organization, promotes high standards of business ethics through the development and dissemination of rules, including codes and guidelines on how business should direct its efforts to assure that commercial communications to consumers are responsible.

World business supports the notion that responsible commercial communications can assist consumers in making appropriate choices about food and beverage products, and in understanding the role of nutrition, diet and physical activity in healthy lifestyles. By conveying commercial communications consistent with principles of good nutrition, diet, physical activity and personal choice, business can play an important role.

ICC's longstanding view is that commercial communications are best regulated by effective self-regulation within a legal framework that protects consumers from false and misleading claims. In this way, self-regulation best serves the consumer's interest in receiving truthful and accurate communications. More broadly, advertisers and marketers should be guided by self-regulatory principles and participate in self-regulatory processes.

As a multi sectoral organization, ICC recognizes that its codes serve as an international standard and that they are used to develop regional and national codes by industry sector groups and by regional and national self-regulatory bodies.

To be effective, marketing self-regulatory systems bring together advertisers, advertising agencies and the media to develop standards, evaluate advertising for compliance with those standards, and take appropriate action to enforce them. World business agrees that effective self-regulation is the system that, through a combination of best practices and determined enforcement, can best inspire consumer confidence in advertising.

ICC welcomes the adoption by regional and national self-regulatory advertising bodies around the world of the general principles expressed in ICC's own codes. Furthermore, world business values the enforcement mechanisms such bodies have put in place to sanction or amend advertisements that do not meet applicable self-regulatory requirements.



The application of self-regulation in food advertising requires that it be legal, decent, honest and truthful. This framework focuses on the three intertwined issues addressed in other ICC publications: the role of commercial communications in our information-focused society, guidelines for communicating to children, and freedom of commercial speech.

The role of commercial communications in an information-focused society Never has so much information been so broadly and readily available to so many as it is now. A plethora of information about healthy lifestyles, nutrition, and dietary choices is available from a great number of sources, including commercial communications.

Good communications, and indeed good business practice, means that communicators must remain mindful of the need to provide honest and truthful information about their products, both to make the consumer aware of the choices available and to enable the consumer to choose among them according to his needs, desires, tastes and personal priorities.

An informed consumer is also crucial in the matter discussed in this paper and, as such, the focus on the operative principles that should guide marketers in their commercial communications is all the more timely.

Guidelines for marketing to children

As children are consumers of food and beverages, they are legitimately a focus of marketing and have the right to information about the products that interest them. However, because of their lack of experience as consumers, young children deserve especially careful treatment by marketers in any commercial communications directed to them. ICC recognizes that children constitute an audience with a more limited capacity to assess information in advertising, which is why it includes specific provisions on commercial communications to children in its guidelines and codes.

Communicators must advertise and sell their products to children in a responsible manner. ICC remains mindful, however, that parents and other adults responsible for a child's welfare play a primary role in the broad range of decisions affecting their children, including choices about lifestyle, physical activity and diet. Moreover, parents, educators, the media, entertainment content providers and others have important roles in helping children develop a critical understanding of advertising and other media messages so that they become better informed.

These issues have been discussed at some length in the *Compendium of ICC Rules on Children and Young People and Marketing*, and these rules apply to food and beverage advertising as they do to any other type of commercial communications to children.

Freedom of commercial speech

Freedom of commercial speech in the sale of all legal products is a fundamental principle of free markets. This freedom has nourished competition among companies and led to demonstrable benefits to consumers. As companies compete, consumers are presented with a wider array of choices, more information on which to base those choices and better prices.



But this exercise of freedom of speech, as with all rights, carries with it attendant obligations. ICC has long held that an essential element in freedom of commercial speech is responsibility.

Conclusion

ICC encourages food and beverage communicators to adhere to principles of responsible consumer communications, above and beyond compliance with laws and regulations, especially in communicating to children. In doing so, advertising from this sector will meet its obligation to remain responsible as well as legal, decent, honest and truthful. Food and beverage marketers, and national and regional self-regulatory bodies, should continue to review and update their self-regulatory guidelines to assure that communications reflect contemporary standards of responsible marketing.

While underscoring the multi-sectoral nature of ICC's guidelines, we set forth below how ICC believes that some important ICC principles contained in existing ICC codes would apply in the context of food and beverage commercial communications.



APPLICATION TO FOOD AND BEVERAGE ADVERTISING

ICC International Code of Advertising Practice Article 1

All advertising should be legal, decent, honest, and **truthful**.

Application in the context of food and beverage advertising of this principle means that claims about nutrition and health benefits should have a sound scientific basis. The claims should be conveyed consistent with the nature and scope of the evidence, providing the consumer with supportable information.

The claim should also be judged by the likely perception of the reasonable consumer, especially where children and young people are concerned.

Article 1 continued

Every advertisement should be prepared with a due sense of **social responsibility....**

Food and beverage advertisements should not encourage or condone excess consumption and portion sizes should be appropriate to the setting portrayed. Advertising should not undermine the importance of healthy lifestyles.

Article 1 continued

No advertisement should be such as to impair **public confidence** in advertising.

Advertisements should respect the spirit of ICC, local and sectoral self-regulatory codes, in order to maintain confidence both in advertising and in the self-regulation system.

ICC International Code of Advertising Practice Article 3

Advertisements should be so framed as not to abuse the trust of consumers or **exploit their lack of experience or knowledge.**

Where claims or terminology used in advertisements might reasonably be interpreted by a consumer as health or nutrition claims, they should be supportable with appropriate scientific evidence.



APPLICATION TO FOOD AND BEVERAGE ADVERTISING

ICC International Code of Advertising Practice Article 5.1

Advertisements should not contain any statement or visual presentation which directly or by implication, omission, ambiguity or exaggerated claim is **likely to mislead the consumer**, in particular with regards to a. characteristics such as: **nature**, **compositions**, method and date of manufacture, range of use, efficiency and performance, quantity, commercial or geographical origin or environmental impact.

Copy, sound and visual presentations in advertisements for food and beverage products should accurately represent the material characteristics featured in the advertisement for the product, such as taste, size, content nutrition or health benefits, and should not mislead consumers concerning any of those characteristics.

Food products not intended to be substitutes for meals should not be represented as such.

ICC International Code of Advertising Practice Article 5.2

Advertisements should **not misuse research results** or quotations from technical and scientific publications. Statistics should not be so presented as to **exaggerate the validity** of advertising claims. Scientific terms should not be used to falsely ascribe scientific validity to advertising claims.

All nutritional and health-benefit claims for food and beverage products should have a sound scientific basis.

Consumer taste or preference tests should not be used in a way that might imply statistical validity if there is none.

ICC International Code of Advertising Practice Article 6

Advertisements containing comparisons should be so designed that the comparison is **not likely to mislead**, and should comply with the principles of fair competition. Points of comparison should be based on facts which can be substantiated and should not be **unfairly selected**.

Nutritional or health-related comparisons should be based on an objectively supportable and clearly understandable basis.



APPLICATION TO FOOD AND BEVERAGE ADVERTISING

ICC International Code of Advertising Practice Article 12

Advertisements should be clearly distinguishable as such, whatever their form and whatever the medium used; when an advertisement appears in a medium which contains news or editorial matter, it should be so presented that it will be **readily recognised** as an advertisement.

Food and beverage manufacturers should particularly note that in advertising directed to children, broadcast or print media personalities (live or animated) should not be used to sell products, premiums or services in a way that obscures the distinction between programme or editorial content and commercial promotion.

ICC International Code of Advertising Practice Article 13

Advertisements should not without reason, justifiable on educational or social grounds, contain any visual presentation or any description of dangerous practices or of situations which **show a disregard** for safety or **health**.

Food and beverage advertisements should not undermine the promotion of healthy balanced diets, nor the importance of a healthy, active lifestyle.

ICC International Code of Advertising Practice Article 14

The following provisions apply to advertisements addressed to children and young people who are minors under the applicable national law.

Inexperience and Credulity

a. Advertisements should not exploit the **inexperience or credulity** of children and young people. Advertisements directed towards children for food and beverage products should not create a sense of urgency, or inappropriate price minimisation.

While fantasy, including animation is appropriate in communication with younger as well as older children, care should be taken not to exploit a child's imagination in a way that could mislead him/her about the nutritional benefits of the product involved.



APPLICATION TO FOOD AND BEVERAGE ADVERTISING

ICC International Code of Advertising Practice Article 14 continued

Social Value

a. Advertisements should not suggest that possession or use of a product alone will give the child or young person **physical**, **social or psychological advantages** over other children or young people of the same age, on that non-possession of the product would have the opposite effect.

Food and beverage advertisements should not mislead consumers about potential health or other benefits from the consumption of the advertised product. In advertisements to children or young people, this includes such things as status or popularity with peers, success in school or sports, or intelligence.

ICC International Code of Advertising Practice Article 14 continued

Social Value

b. Advertisements should not undermine the **authority**, **responsibility**, **judgement or tastes** of parents, taking into account **current social values**. Advertisements should not include any direct appeal to children and young people to **persuade their parents** or other adults to buy advertised products for them.

Food product advertisements should not undermine the role of parents and other adults responsible for a child's welfare in guiding diet and lifestyle choices. Advertisements should not include any direct appeal to children to persuade their parents or other adults to buy advertised products for them.

ICC International Code of Sales Promotion Article 8

Sales promotions addressed to children and young people should not exploit their **credulity or inexperience**. No sales promotion should be undertaken which is likely to **harm** children or young people mentally, morally or **physically**, or to **strain their sense of loyalty vis-a -vis their parents** and guardians.

Sales promotion offers addressed to children should provide the conditions of the premium offer, sweepstake or contest being advertised in terms that children can understand. Advertisers should strive to be sure that young children have an understanding of the products to be purchased, if any, to receive the premium; and for sweepstakes and contests, the conditions of entry, types of prizes and the likelihood of winning.

APPENDIX G

Television Advertising and Internet Viewing of Food and Restaurant Messages

Total TV Ad Expenditures, Total Screen Time, TV Commercials and Web Pages Seen by Children

A Report to
The Grocery Manufacturers of America
The Association of National Advertisers

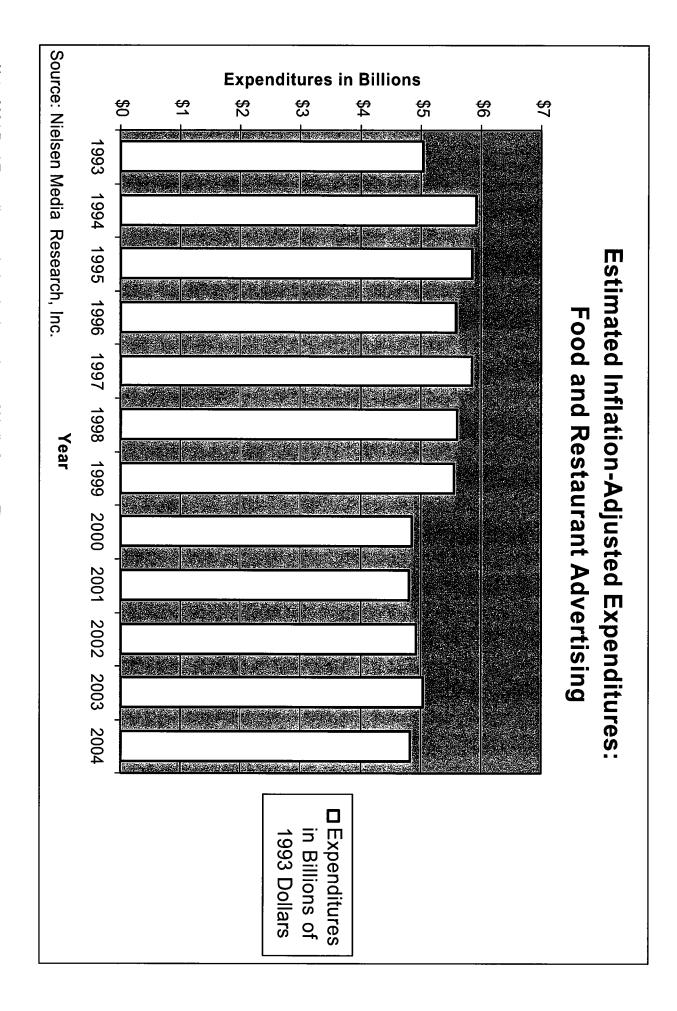
Collier Shannon Scott, PLLC Georgetown Economic Services, LLC May 13, 2005

Advertising Trends

- decade Expenditures on TV advertisements for foods and restaurants have declined in real terms over the last
- The food category includes foods and beverages
- The number of food and restaurant advertisements seen by children under 12 has declined over the last decade.
- The decline is evident in both food advertising and restaurant advertising.
- websites are minuscule compared to TV impressions. Children's visits to food and restaurant company
- TV is losing share of screen time to video games and computers

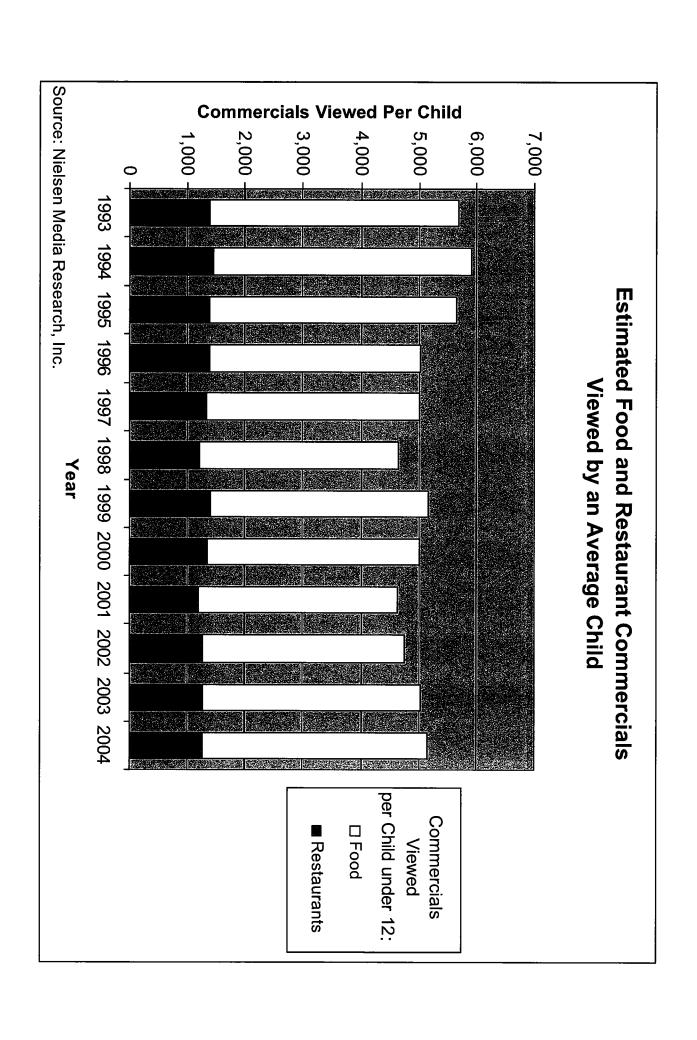
Expenditures

- decade advertising on all TV have fallen in the last Real expenditures on food and restaurant
- Expenditures peaked at nearly \$6 billion in 1994 and dropped below \$5 billion in 2004
- In the last four years (2001-04), annual expenditures have averaged just under \$5 billion per year
- From 1994 to 1997 the average hovered close to \$6 billion.
- All expenditures are measured in 1993 dollars, commercial prices thereby eliminating the effect of inflation on TV



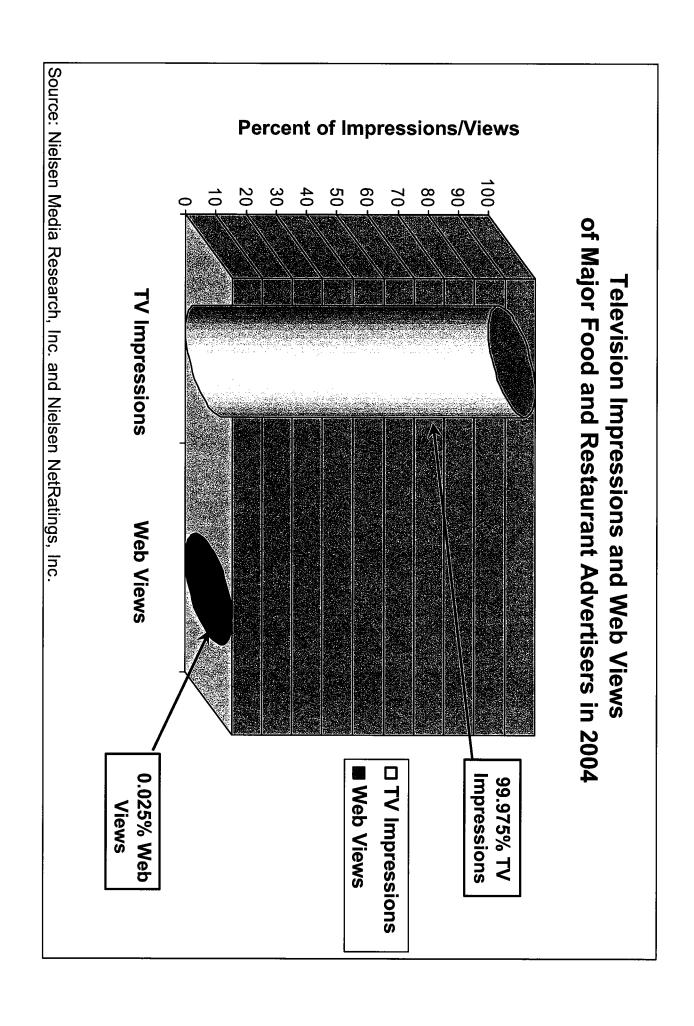
Food and Restaurant Commercials Viewed by Children

- The number of food and restaurant commercials viewed by children has fallen in the last decade
- The number of commercials viewed per year reached nearly 6,000 in 1994 and has remained around 5,000 in recent years.
- In the last four years (2001-04), the number of commercials viewed has averaged about 4,900 per year.
- In the first four years (1993-96) the average number of commercials viewed was about 5,600 per year
- From their peak in 1994, impressions have declined by
- Both categories of commercials food and restaurants declined over the period.
- The largest decline in commercials viewed was for foods.



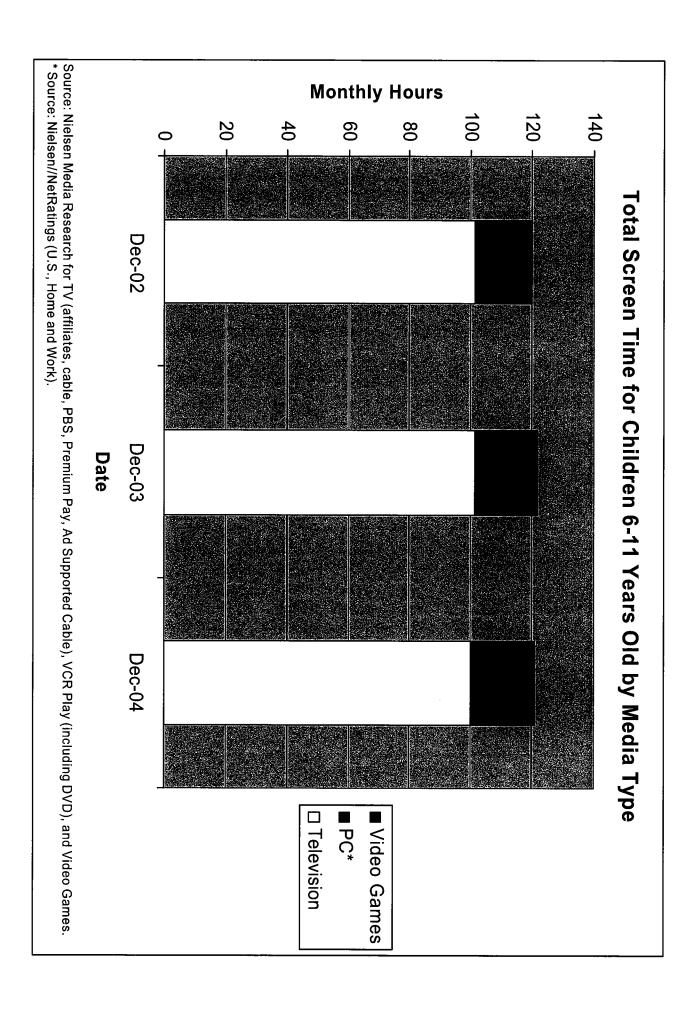
Children's Exposure to Internet Entertainment from Food and Restaurant Companies

- top 150 advertisers on Total TV by expenditure Nielsen Media Research produces a list of the
- Of these 150 advertisers, there were 23 food and content on their web sites in 2004 restaurant advertisers that had online entertainment
- These 23 companies accounted for 73% of total food and restaurant TV advertising impressions for children 2-11 years old.
- 23 advertisers Entertainment content on food and restaurant web combined total web and TV impressions for these pages accounted for an estimated 0.025% of the



Screen Time Trends

- time children spend with the main sources of video of media per month, is an indicator of how much hours an individual spends watching various types media. "Screen Time," which is defined as the number of
- Nielsen surveys are conducted in December.
- Total monthly Screen Time viewing hours increased during the period, rising by about one-half of one percent per year from December 2002 to December 2004.
- Increases in Video Game and PC Screen Time over share of total Screen Time. the period were partially offset by a decline in TV's
- Video Game and PC usage captured a growing portion of the share of total viewing hours from TV each December, from 2002



Conclusions

- Report of October 1, 2004. This report is an update and extension of our
- Our prior conclusions remain the same
- Real advertising expenditures for foods and beverages have declined over the last decade
- The number of food and beverage commercials seen by children has declined over the last decade
- Our new findings add confirming perspectives.
- Views of food and beverage websites are minimal compared to TV impressions.
- Screen time is migrating from TV to other media.

Methodology

- calculated as follows: Expenditures on food and restaurant advertising were
- Data on expenditures for the food and restaurant categories
- were provided by Nielsen Media Research. These data represent total expenditures for advertisements for all
- Alcoholic beverages and related mixers were excluded

foods and beverages and all restaurants on all TV programs

- A deflator was then applied to the expenditures to convert each year's expenditures to 1993 dollars.
- between expenditures in different years This process enables us to make comparisons in constant dollars
- McCann Media Cost Indexes. The deflator used advertising inflation indices from the *Universal*
- Preliminary price-index estimates are now available for 2004
- Preliminary estimates indicate that ad inflation was slightly greater in '04 than it was in '03.
- The final estimate will be available in August.

Methodology (Continued)

- Commercials viewed by an average child were calculated as
- Food and restaurant commercials viewed by children under 12 were provided by Nielsen Media Research.
- The number takes into account commercials on broadcast and cable TV at national and local levels.
- The total number of food and restaurant commercial impressions were divided by the total number of children under 12 in the TV audience. This yields an estimate of the number of commercials viewed per child each year.
- TV households. The number of children consists of those under 12 in United States
- The audience data were provided by Nielsen Media Research.
- Internet impressions provided by Nielsen//NetRatings
- Screen time was provided Nielsen Media Research for TV and Video Games, and by Nielsen//NetRatings for PC time

Inflation Adjusted Advertising Expenditures

Year 1993 1994 1995 1996 1997 1998	315,125,995	15,624,037 \$5,6	,136,540 \$5,8	1,312,794 \$5,5/6	21,536,526 \$5,85	\$5,046,283,780 \$5,8	ilialion Adjusted Froduct Category Expenditure on Total IV - Food and Restaurants
	1998	1997	1996	1995	1994	1993	ear Alicate District Onto the Control of the Contro
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\$5,568,893,837 \$4,860,667,065 \$4,793,050,622 \$4,924,392,741 \$5,042,172,392 \$4,835,989,618

2004

Inflation Adjusted Product Category Expenditure on Total TV - Food and Restaurants

Source: Nielsen Media Research, Inc.

Note: 2004 Real Expenditures calculated using estimate of Media Cost per Thousand inflation.

Commercials Viewed per Child Food and Restaurant

Food and Restaurant Commercials Viewd per Child*

4,643	5,007	5,042	5,649	5,909	5,701	Total Impressions per Child Food and Restaurants
3,436	3,671	3,676	4,275	4,463	4,335	Impressions per Child - Food
1,206	1,337	1,366	1,374	1,446	1,366	Impressions per Child - Restaurants
1998	1997	1996	1995	1994	1993	Year

Food and Restaurant Commercials Viewd per Child* (Continued)

Year	1999	2000	2001	2002	2003	2004
Impressions per Child - Restaurants	1,404	1,346	1,189	1,250	1,265	1,268
Impressions per Child - Food	3,772	3,664	3,427	3,485	3,773	3,884
Total Impressions per Child Food and Restaurants	5,176	5,010	4,616	4,735	5,038	5,152

Source: Nielsen Media Research, Inc.

^{*-} Impressions per child calculated as impressions divided by the group definition.

Screen Time Trends for Children 6-11 Years Old

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		וטנפ	II ocreei	Total acreen Time for Citi		Idlell 6-11 (US	(00)	
		Hours	Hours/Month			% Mont	% Monthly Hours	rs
	Dec 02	Dec 03	Dec 04	% Chg 04 vs 02	Dec 02	Dec 02 Dec 03	Dec 04	pp Chg 04 vs 02
V	101.2	101.2	99.7	(1)%	85%	85% 83%	82%	(3) pp
Video Games	10.4	11.9	12.7	22%	9	10	<u> </u>	2 pp
PC	7.8	8.6	8.6	10%	7	7	7	1 pp
Total	119.4	121.7	121.0	1%	100%	% 100%	100%	ŀ

APPENDIX B

To Comments of the Grocery Manufacturers Association

FTC Request for Information and Comment on Food Industry Marketing to Children and Adolescents Comment - Project No. P064504

GMA REPORT

U.S. Food and
Beverage Industry
Initiatives on
Diet, Physical
Activity and
Health

December 2005





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Introduction

The World Health Organization adopted a resolution and global strategy last year to address the obesity issue. The WHO Resolution and Global Strategy on Diet, Physical Activity and Health, initiated at the May 2004 World Assembly, included a series of recommendations aimed specifically at the role of the private sector.

According to the resolution and strategy:

"The private sector can be a significant player in promoting healthy diets and physical activity. The food industry, retailers, catering companies, sporting-goods manufacturers, advertising and recreation businesses, insurance and banking groups, pharmaceutical companies and the media all have important parts to play as responsible employers and as advocates for healthy lifestyles. All could become partners with governments and nongovernmental organizations in implementing measures aimed at sending positive and consistent messages to facilitate and enable integrated efforts to encourage healthy eating and physical activity.

"Workplaces are important settings for health promotion and disease prevention. People need to be given the opportunity to make healthy choices in the workplace in order to reduce their exposure to risk. Further, the cost to employers of morbidity attributed to noncommunicable diseases is increasing rapidly. Workplaces should make possible healthy food choices and support and encourage physical activity."

The U.S. food and beverage industry already has undertaken a host of initiatives consistent with the WHO recommendations. From the promotion of healthy lifestyles to the reformulation and introduction of products, the industry has demonstrated its commitment to seeking sustainable, comprehensive solutions to improve the health and wellness of all Americans, particularly youth.

¹ GMA Company Health and Wellness Initiatives Survey, Collier Shannon Scott/Georgetown Economic Services, July 2005.

Contributions of the **Food and Beverage Industry**

The year before the enactment of the WHO Resolution and Global Strategy on Diet, Physical Activity and Health, the board of directors of GMA — composed of 42 CEOs from the world's leading food, beverage and consumer products companies — approved a Statement of Commitment and Guiding Principles on Diet, Physical Activity and Health. It underscored the industry's pledge to arrest and reverse the incidence of obesity over the long term — as individual companies, as an industry and in support of other stakeholders. It also outlined the industry's role in promoting healthy lifestyles, which dovetail with the WHO recommendations.

The activities can be divided into the following categories:

- I. Promotion of Healthy Lifestyles
- II. Products and Choices
- III. Consumer Information
- IV. Advertising and Marketing
- V. Workplace Wellness

Major health and wellness initiatives of the U.S. food and beverage industry are described in the following pages. Many of those initiatives were documented in a health and wellness survey of GMA member companies representing approximately half of U.S. food and beverage industry sales.¹

Contributions
of the
Food and
Beverage
Industry
continued

I. Promotion of Healthy Lifestyles

The WHO recommendations called for the private sector to "promote healthy diets and physical activity in accordance with national guidelines and international standards and the overall aims of the global strategy." They also called for companies to "assist in developing and implementing physical activity programs."

The U.S. food and beverage industry — both collectively and individually — has been developing a wide range of initiatives to help promote healthy lifestyles.

Conducting healthy lifestyle promotions

Food and beverage companies spend in excess of \$40 million every year on nutrition- and health-related activities and grants. According to the GMA health and wellness survey, 90 percent of companies are conducting and planning healthy lifestyle promotions, and 81 percent are conducting and planning consumer health promotions in communities. Eighty-six percent of companies sponsor nutrition and health initiatives. Another 73 percent of food and beverage companies are providing grants to communities.

One of the most significant investments was made in 2003, when the food and beverage industry founded the American Council for Fitness and Nutrition (see Appendix 1, p. 13). ACFN now includes more than 100 organizations across a wide spectrum of business, academia and health professionals, led by a 30 member advisory board of thought leaders in the fields of academia, medicine, nutrition science, children's health, physical education and communications.

The mission of ACFN is to advocate comprehensive, long-term strategies and constructive public policies for improving the health and wellness of all Americans, particularly youth, by promoting research, education and policies designed to promote a healthy balance between fitness and nutrition.

Specifically, members of ACFN support policies that:

- Increase the number of students who engage in physical activity for 30 minutes a day in schools.
- Increase effective nutrition education in schools.
- Increase support for applied research on achieving behavior change to support fitness and nutrition education goals.

In 2005-06, the organization devoted significant resources to shining a bright light on existing programs that help families live healthier lives. Through a strategic alliance with the National Association for Health and Fitness, a nonprofit nutrition and fitness education organization, ACFN conducted community outreach activities in key states across the country. The TRIUMPH (Trends, Resources and Inspiration for Understanding and Maintaining Physical Health) Across America Tour gathered community leaders and hundreds of local health and wellness experts to discuss the experiences and successes of local programs that help families make healthy eating choices and stay active.

In addition to highlighting existing programs, ACFN has forged relationships with nutrition experts to identify and implement new ways to reduce obesity, particularly among at-risk populations. At the 2005 Food and Nutrition Conference and Expo of the American Dietetic Association, ACFN announced a new initiative with the ADA Foundation to impact childhood obesity in African-American and Hispanic populations. The initiative will include detailed analyses of the opportunities for impact within those childhood populations, then develop comprehensive guidebooks for community leaders on how to achieve such impact.

CONTRIBUTIONS OF THE FOOD AND BEVERAGE INDUSTRY I. Promotion of Healthy Lifestyles continued

This partnership with ADA builds on the results of two pilot projects focused on making an impact on the disproportionately high rates of obesity in vulnerable and at-risk communities. In Baltimore, ACFN conducted a pilot project to teach African-American children culturally relevant recipes and physical activity, then packaged what was learned into a tool kit for black community leaders nationwide. That tool kit today is being distributed in partnership with the National Organization for Blacks in Dietetics and Nutrition. In Queens, N.Y., ACFN partnered with a Hispanic supermarket for a similar pilot event and, in turn, packaged the findings into a tool kit distributed to Hispanic community leaders through a partnership with Latino and Hispanic in Dietetics and Nutrition.

To provide a consistent way to measure the success of the increasing number of interventions to prevent childhood obesity at the state and local levels, ACFN is supporting a project that will bring together representatives of successful programs with academics and clinicians who have expertise in design and implementation of intervention programs. The objective of this dialogue, conducted under the auspices of the Centers for Disease Control and Prevention, will be to identify rigorous evaluation metrics for realistic success outcomes and, based on that data, recommend designs for new interventions and adjustments to existing programs.

Partnering with government to promote healthy lifestyles to consumers

As the federal government began to evaluate and update its Dietary Guidelines and Food Guidance System in 2003, GMA served as the primary voice of the food and beverage industry in advocating principles that would help consumers lead healthy lifestyles. On behalf of its member companies, GMA urged regulators to learn from past lessons and develop a workable, common-sense approach that fits the way consumers live, work and play and stressed the importance of a nutritionally balanced diet, regular physical activity and the need for Americans to moderate their food intake to match their level of physical activity.

GMA framed the industry's perspective in its Principles for the Dietary and Physical Activity Guidelines and the Food Guide Pyramid (see Appendix 2, p. 55). The overarching goal, as outlined within these principles, was to make the guidelines relevant to consumers' everyday lives and to balance energy intake with energy expenditure.

To help ensure that the updated Dietary Guidelines and the Food Guide Pyramid were relevant to all Americans, GMA emphasized the importance of consumer research to learn what barriers may exist — specifically socioeconomic and cultural factors — that could prevent proper implementation. In addition, GMA shared with the Dietary Guidelines Advisory Committee the results of consumer research GMA conducted with the International Food Information Council on calories and portion size related to the nutrition label.

On behalf of its member companies, GMA has advocated policy changes concerning health and wellness. In addition to testifying at both the state and federal levels, the industry has given public support to federal legislation that would help increase physical activity and improve nutrition. The Improved Nutrition and Physical Activity Act (IMPACT) would provide grants to communities for collaborative approaches that increase physical activity, improve nutrition and promote healthy eating behaviors. It also would provide funding to train health professionals to identify and treat patients who are overweight, obese or suffer from eating disorders. Another measure backed by GMA, The Childhood Obesity Reduction Act, would recognize schools that voluntarily implement plans to increase physical activity and promote healthy nutritional choices. The bill calls for the creation of a Congressional Council to Combat Obesity, which would highlight successful programs, review model nutrition and exercise plans for schools, and coordinate outreach and public awareness efforts, eventually creating a public-private foundation to provide grants to schools for anti-obesity programs.

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U.S. Food and Beverage Industry Initiatives on Diet, Physical Activity and Health

CONTRIBUTIONS OF THE FOOD AND BEVERAGE

INDUSTRY

I. Promotion of Healthy Lifestyles continued

The industry also supported FY 2006 obesity prevention funding. Specifically, GMA expressed its support for several programs that have shown significant promise in making a difference in the fight against obesity, including the "VERB It's what you do campaign," a national, multicultural social marketing campaign coordinated by the Centers for Disease Control; "Steps to a Healthier US," a U.S. Department of Health and Human Services program with a preventative strategy and emphasis on obesity reduction through the elimination of the twin risk behaviors of poor nutrition and physical inactivity; and the Carol M. White Physical Education Program (PEP), a U.S. Department of Education program that awards grants to local educational agencies and community-based organizations to initiate, expand or improve physical education programs.

The food and beverage industry has been an advocate for other federal obesity prevention initiatives as well. An original supporter of the Congressional Fitness Caucus, created in 2003 to boost understanding of physical activity's benefits for good health, the industry continues to support the caucus by backing efforts to increase physical activity and to enhance nutrition education through partnerships in health care, education, government and other sectors.

In response to a provision of The Child Nutrition and WIC Reauthorization Act of 2004 requiring all school districts to develop a school wellness policy by 2006, GMA's Food and Health Strategy Group drafted a position statement in 2005 on school wellness policy (see Appendix 2, p. 56). In this statement, the industry emphasizes its commitment to helping improve student wellness and working alongside educators to promote healthful eating and active lifestyles. The statement also expresses the industry's support for the 2005 Dietary Guidelines, for school systems to address both eating and physical activity, and for school systems' school wellness policies that address health, nutrition and fitness education.

In testimony and letters to state officials, GMA emphasized that children should learn about the importance of balancing physical activity and nutrition by meeting the Dietary Guidelines' goals of moderating intake of calories, saturated fat, trans fat, cholesterol, sugars and sodium while encouraging fruits and vegetables, low and fat-free dairy, and whole grains. The industry also supported efforts to limit the availability of "a la carte" products — those falling outside the Federal School Meal Program that can be purchased as single items in the cafeteria or at concession stands, fundraisers or the school store — to appropriate age and school levels as determined by the school system. Comments submitted expressed the need for elementary school students to form good nutritional habits and for middle and high school students to have the necessary information and range of choices to manage their own nutritional needs.

Additionally, approximately three-quarters of all companies indicated that they are partnering with public health organizations to promote healthy lifestyles, according to the GMA health and wellness survey.

Communicating healthy lifestyle messages through multiple media

The vast majority of companies — approximately 90 percent — are communicating healthy lifestyle messages through multiple media. According to the GMA health and wellness survey, 83 percent of companies are using the nutrition label to communicate more information, affecting more than 2,700 products and sizes. Another 83 percent use the Web to communicate these messages, while 81 percent use brochures and slightly more than half of those companies surveyed offer education kits for children, parents and/or schools. Even before the launch of MyPyramid, nearly three-quarters of respondents said they planned to use the new icon to promote healthy lifestyle messages. Three-quarters of all companies indicated that they have specific policies on advertising to kids.

CONTRIBUTIONS OF THE FOOD AND BEVERAGE INDUSTRY continued

II. Products and Choices

The WHO recommendations called for companies to limit the levels of saturated fats, trans-fatty acids, free sugars and salt in existing products; continue to develop and provide affordable, healthy and nutritious choices to consumers; and consider introducing new products with better nutritional value.

Food and beverage companies have placed a high priority on researching and developing new ways to make favorable changes in the nutrition profile of foods without sacrificing quality or taste. The industry has introduced thousands of products that provide options for consumers looking for ways to incorporate variety, balance and taste.

Virtually all companies are enhancing nutritional choices for consumers. According to the GMA health and wellness survey, 98 percent of companies are reformulating and introducing new products. Of that amount, 86 percent already have introduced or reformulated products and sizes, while 12 percent are planning new or reformulated products. This translates to approximately 4,500 new and reformulated products introduced since 2002, representing about 30 percent of food and beverage SKUs in the average supermarket today.

Those company innovations can be broken down into the following categories:

· Development of products with low- or reduced-calorie options

Those companies participating in the GMA health and wellness survey reported that they had introduced a total of nearly 1,000 reduced-calorie products since 2002.

Development of products with low, reduced sugar and carbohydrates

Those companies participating in the GMA health and wellness survey reported that they had introduced more than 900 products offering reduced sugar and carbohydrates since 2002.

Reducing or eliminating saturated or trans fat

Those companies participating in the GMA health and wellness survey reported that since 2002 they had introduced 3,000 products and sizes with reduced saturated fat and trans fat.

Reducing salt content

Those companies participating in the GMA health and wellness survey reported that they had reduced sodium in more than 375 products since 2002.

- Increasing the use of whole grains and fiber
- Development of products with specific health benefits

Development of products fortified with specific minerals and vitamins

Fortified vitamins and minerals can be found in more than 500 products introduced since 2002 by those companies participating in the GMA health and wellness survey.

Increasing the range of portion sizes

Food and beverage companies have been working to help consumers manage their food intake. The GMA health and wellness survey found that half of all respondents had changed multi-serve packaging or were in the process of making changes, amounting to modifications of more than 200 products and sizes. Fifty-five percent had changed single-serve packaging or were in the process of making changes, affecting more than 250 products and sizes. The greatest focus has been on children, where 56 percent of respondents indicated they had created sizes for kids or were in the process of making changes to more than 350 products.

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III. Consumer Information

The WHO recommendations called for companies to provide consumers with adequate and understandable product and nutrition information; issue simple, clear and consistent food labels and evidence-based health claims to help consumers make informed and healthy choices with respect to the nutritional value of foods; and provide information on food composition to national authorities.

The GMA Statement of Commitment and Guiding Principles on Diet, Physical Activity and Health, adopted by the GMA board of directors in 2003, emphasized many of the same points — most notably, the essential role played by food and beverage manufacturers in providing consumers with nutritious product choices and communicating that information clearly to help them make informed decisions (see Appendix 2, p. 53).

GMA and the food and beverage industry are committed to helping get Americans on the path to better health by helping them follow the Dietary Guidelines and Food Guide Pyramid. The industry has followed through on those commitments, tapping company expertise in marketing, product development and nutrition science to help educate consumers.

Enhancing label information

Food and beverage manufacturers have made a significant investment in the enhancement of label information. To provide guidance to government and industry in developing labels that would better communicate calorie and serving size information, the industry sponsored research into how consumers use labels on products to obtain nutrition information. As a result, GMA made several recommendations to FDA on changes to the Nutrition Facts Panel, suggesting that the font of both the serving size and calories be larger and bolder and that the line visually separating these two pieces of information be removed. The comments also called for FDA to add a footnote directing consumers to the MyPyramid Web site for personalized nutrition information. These changes would underscore appropriate serving sizes while providing simplified information about caloric content for entire packages.

More than 80 percent of companies already have made changes to their product labels, affecting 2,749 products and sizes. Some of those changes include simplifying and clarifying labeling so consumers can easily understand the nutritional content as well as introducing icons to help consumers identify products with health benefits.

• Increasing the use of new communications tools to disseminate nutrition information

Companies have turned to a variety of communications tools, including in-store communications, customer care lines and Web sites, to disseminate product nutrition information. Approximately 80 percent of companies are communicating through their Web sites and through brochures.

More than half of all companies are offering education kits to children, parents and/or schools.

On the day of the release of the Food Guide Pyramid, GMA announced a partnership with the Weekly Reader Corporation to promote the new Food Guidance System through a national education campaign reaching an estimated 4 million teachers, students and their family members. The campaign consisted of a teacher's guide; math, nutrition and science activities; and a bilingual parent take-home component in English and Spanish. More than 58,000 posters were distributed to Weekly Reader teacher subscribers in fall 2005, coinciding with the start of the school year.

Industry funding has helped the Weekly Reader MyPyramid curriculum reach underserved populations. A Spanish translation of the curriculum, paired with the English-language materials, has

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U.S. Food and Beverage Industry Initiatives on Diet, Physical Activity and Health

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III. CONSUMER
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continued

been distributed free of charge to schools with high-Hispanic populations. Through a partnership with America's Second Harvest — The Nation's Food Bank Network, the MyPyramid curriculum has been distributed in 1,300 Kids Cafes, after-school programs that serve free, hot, nutritious meals to hungry children in a safe environment. Kids Cafes combine meals with other activities, including nutrition education, cooking and tutoring.

The Weekly Reader partnership is part of a broader initiative launched by GMA in 2005 to bring MyPyramid into the homes and lives of consumers. Project Home will use multi-channel strategies to influence eating and physical activity behaviors. The activities include a workshop with federal policy officials, in-store promotions and retail circulars, further distribution of the Weekly Reader materials, collaboration with USDA on a nutrient database, and establishment of a link between the Nutrition Facts Panel and MyPyramid.

CONTRIBUTIONS OF THE FOOD AND BEVERAGE INDUSTRY

continued

IV. Advertising and Marketing

In its recommendations, the WHO supported responsible marketing practices, particularly with regard to the promotion and marketing of foods high in saturated fats, trans-fatty acids, free sugars, or salt, especially to children.

GMA member companies have a long-standing commitment to responsible product promotion in order to help consumers make sound choices about their diets and lifestyles. Informing consumers about products and services available to them is essential if they are to enjoy the benefits of the options that food companies provide. Educating consumers, especially parents and their children, how to meet their individual needs, tastes and preferences through the proper balance of activity and nutrition improvements empowers consumers to maintain a healthy weight. Advertising is an important means of communicating that information and is a critical element of the competition that drives innovation.

The actions taken by the industry fall within the following areas:

- Encouraging use of nutritionally enhanced products through marketing and other promotions
 According to the GMA health and wellness survey, 98 percent of respondents are marketing or were
 planning to market their improved products the same percentage that indicated they are
 reformulating and introducing new products.
- Adopting industrywide and companywide standards

Drawing on the experience of its member companies, GMA developed a set of industry standards to help guide the execution and placement of food and beverage advertising (see Appendix 2, p. 55). The GMA Advertising Principles encourage the promotion of healthful choices affecting diet, nutrition and lifestyle while also discouraging overeating and inappropriate consumption of foods.

Consumers' attitudes toward diet and nutrition begin taking shape at an early age. Therefore, the industry has placed a special emphasis on a series of additional principles regarding advertising for products specifically for children (see Appendix 2, p. 55).

The GMA health and wellness survey found that approximately three-quarters of all companies surveyed had specific internal policies governing advertising to kids.

Supporting industry self-regulation, ensuring that advertising meets the highest standards of truth and accuracy as well as reflecting a balanced approach to health and nutrition, and proposing ways to strengthen an already rigorous advertising review process Because advertising can play a central role in promoting healthy eating and activity choices, it is critical to have in place meaningful, robust self-regulation to ensure the highest standards of truth and accuracy. To build on the effective self-regulation that has been managed since 1971 by the National Advertising Review Council and implemented through the National Advertising Division and Children's Advertising Review Unit of the Council of Better Business Bureaus, GMA made recommendations in 2005 to strengthen their efforts. That proposal, presented in July at the Federal Trade Commission and Department of Health and Human Services Public Workshop on Marketing, Self-Regulation and Obesity, prompted CARU to announce in September the following steps to improve self-regulation: 1) More visible, user-friendly CARU complaint process; 2) Free access for nonprofit organizations; 3) Expanded pre-screening for business; 4) Larger pool of child-health experts; 5) A review of CARU's guidelines to ensure they address certain marketing practices appropriately, including interactive online games, computer games, video games; paid product placement in children's television programming; and use of third-party licensed characters.

CONTRIBUTIONS OF THE FOOD AND BEVERAGE INDUSTRY

continued

V. Workplace Wellness

In addition to public outreach, the WHO recommendations urged the private sector to focus on addressing obesity in their own workplaces by encouraging healthy food choices and supporting physical activity

Not only are companies reaching out in their communities, but they also are helping their own employees improve their health. They are accomplishing those goals in the following ways:

Offering programs that encourage better nutrition/adoption of healthier lifestyles Of those companies participating in the GMA health and wellness survey, 80 percent provide on-site weight loss and/or nutritional counseling, 68 percent offer flextime, and 60 percent provide health insurance incentives.

Offering programs that encourage physical activity

Nearly three-quarters of those companies surveyed said they offer on-site fitness centers and/or recreation areas, and 90 percent ensure a work environment conducive to regular, daily activity.

Offering wellness information

Eighty percent of companies surveyed said they offer wellness newsletters to their employees.

A GMA workplace wellness survey to be conducted in 2005 will provide more detailed information on workplace wellness programs within the food and beverage industry. The survey assesses the extent of wellness program offerings in the areas of nutrition, physical activity, the adoption of healthier lifestyles/weight management, health services/screenings, health risk assessments, wellness information and employee assistance. It also will show the scope of support and communications behind the wellness programs as well as evaluation tools being used to measure their effectiveness.

APPENDIX 1

This appendix, which follows the thematic classification used in the main part of the report, includes highlighted initiatives undertaken by the U.S. food and beverage industry, both collectively and as individual companies, to improve diet, physical activity and health. It is not intended to be an exhaustive list but rather a representative list of past, current and planned efforts.

I. Promotion of Healthy Lifestyles

Establishment of the American Council for Fitness and Nutrition (ACFN)

ACFN recruited experts in the fields of nutrition, fitness, health, education and research to shape
and advance the organization's message, guide the promotion of existing programs, and identify
opportunities for new research that support comprehensive and achievable solutions to overweight
and obesity.

Mary Austin, R.D., M.A., CDE, American Association of Diabetes Educators

Keith Ayoob, Ed.D., R.D., FADA, Albert Einstein College of Medicine

Tom Baranowski, Ph.D., Baylor College of Medicine

Albert Barrocas, M.D., Pendleton Memorial Methodist Hospital

George L. Blackburn, M.D., Ph.D., Harvard Medical School

Sue Borra, R.D., International Food Information Council

Benjamin Caballero, M.D., Ph.D., Center for Human Nutrition, Johns Hopkins University

Mary Lee Chin, M.S., R.D., Nutrition Edge

Kristine Clark, Ph.D., R.D., FACSM, Penn State University Sports Nutrition

Sharon Cox, M.S., R.D., CDE, Parkland Health & Hospital System, Bluitt Flowers Health Center

Janice Dodds, Ed.D., R.D., University of North Carolina, The Society for Nutrition Education

Lorena Drago, Multicultural Nutrition and Diabetes Educator

Cecilia Pozo Fileti, M.S., R.D., FADA, C.P. Fileti Associates, Inc.

Anne Flannery, PE4Life

Molly Gee, American Dietetic Association

G. Ken Goodrick, Ph.D., Baylor College of Medicine

Phil Haberstro, Wellness Institute of Greater Buffalo and Western New York

David Heber, M.D., Ph.D., University of California at Los Angeles Center for Human Nutrition

Jim Hill, Ph.D., University of Colorado Health Sciences Center

Lisa Katic, R.D., Nutrition Expert

Elizabeth Lascoutx, Children's Advertising Review Unit

Phil Lawler, PE4Life Institute

Lisa Mosing, M.S., R.D., FADA, NutriTalk, Inc.

Frances Smith, Consumer Alert

Kathy J. Spangler, CPRP, National Recreation & Park Association

Maureen Storey, Ph.D., Center for Food and Nutrition Policy of Virginia Tech

Lisa Sutherland, Ph.D., University of North Carolina Department of Nutrition

Wendell Taylor, Ph.D., MPH, University of Texas Health Science Center at Houston

Judith Young, Ph.D., American Alliance for Health, Physical Education, Recreation & Dance

APPENDIX 1

I. Promotion of Healthy Lifestyles

continued

 ACFN is composed of more than 130 organizations, including a wide spectrum of business, academia and health professionals.

American Advertising Federation American Alliance for Health, Physical Education, Recreation and Dance American Association of Advertising Agencies

American Association of Diabetes Educators Americans for Our Heritage and Recreation

American Bakers Association

American Beekeeping Federation, Inc.

American Beverage Association American Dietetic Association Americans for Indian Opportunity American Frozen Food Institute

American Meat Institute

American Running Association American Sheep Industry Association American Society for Clinical Nutrition

American Wholesale Marketers Association

Archer Daniels Midland Company

Arkansas Children's Hospital

Association of Fund-Raising Distributors and Suppliers

Association of National Advertisers

Behavioral Health Research Center of the

Southwest BET Foundation Birds Eye Foods

Biscuit & Cracker Manufacturers

Association

Blue Cross Blue Shield Association Body Business Health and Fitness

Bruce Foods Corporation Burger King Corporation Cadbury Schweppes PLC Campbell Soup Company

Cancer Research and Prevention Foundation

Cargill, Inc.

Center for Impact Research

Chicago International Charter Schools

Child, Inc.

The Coca-Cola Company Coca-Cola Enterprises Inc. Colfax County Health Council

Common Threads

Community Health Club of San Angelo -

Triad Hospitals ConAgra Foods, Inc. Continental Mills, Inc.
Corn Refiners Association
Corporate Fitness Works
Dean Foods Company
Del Monte Foods
Diamond of California
Dreyer's Grand Ice Cream
Egg Nutrition Center
Fayetteville Public Schools
Flowers Bakeries, Inc.
Food Marketing Institute
General Mills, Inc.
Glenview Health Systems
Go With The Flo, LLC

Grocery Manufacturers Association

Guru To You

Hall of Health Inc. and The Healthy,

Happy Kids Foundation Heights Family YMCA Hershey Foods Corporation Hispanic Food Communications Hispanic Heritage Awards Foundation

H.J. Heinz Company

Hot Springs Health and Fitness Independent Bakers Association International Advertising Association International Bottled Water Association International Dairy Foods Association International Health, Racquet and

Sportsclub Association Jack in the Box, Inc.

Jewish Community Association of Austin

Juice Products Association J. M. Smucker Company Kellogg Company Kikkoman Foods, Inc. Kraft Foods, Inc.

Land O'Lakes, Inc.

Latinos and Hispanics in Dietetics and Nutrition

League of American Bicyclists

League of United Latin American Citizens

Louisa E. Perritt Primary School

Marilyn Magaram Center for Food Science,

Nutrition and Dietetics (CSUN)

Masterfoods USA McCain Foods

APPENDIX 1

I. Promotion

of Healthy Lifestyles continued

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McCormick & Company, Inc. McDonald's Corporation McKee Foods Corporation

Medifit

Mescalero Apache Tribe/Community Health Representatives Program (CHE)

National Association for Health and Fitness

National Automatic Merchandising

Association

National Coalition for Women with Heart Disease

National Confectioners Association National Council of Chain Restaurants

National Grocers Association

National Organization of Blacks in Dietetics

& Nutrition

National Restaurant Association

National Supermarkets Association, Inc.

National Turkey Federation

Nestle USA, Inc.

Ocean Spray Cranberries Pepsi-Cola Company

PepsiCo, Inc.

The Perkins Community Health Care

Coalition

Pip Start Ministries

Procter & Gamble Company

PTO Today, Inc.

Pulaski County Government Reily Foods Company Sara Lee Corporation Schwan Food Company Senior Arkansas Sports Organization/Arkansas Sen

Organization/Arkansas Senior Olympics Senior Sports and Fitness Program,

City of Albuquerque

Snack Food Association

Society for Nutrition Education

Society for Women's Health Research

Sugar Association Texas Rowing Center The Nutritive Edge

The Quaker Oats Company

Trips for Kids

U.S. Chamber of Commerce

U.S. Hispanic Chamber of Commerce

Unilever United States, Inc.

WellAdvantage Weston Foods, Inc.

Women Entrepreneurs, Inc. William Wrigley Jr. Company YMCA of the Brandywine Valley

Yum! Brands, Inc.

Zen Alternative Medicine 1 on 1 Ultimate Fitness, LLC

ACFN launched TRIUMPH (Trends, Resources and Inspiration for Understanding and Maintaining Physical Health) Across America Tours.

- Conducted events in Little Rock, Ark.; Austin, Texas; Baltimore; Philadelphia; Chicago; Phoenix;
 Albuquerque, N.M.; and Oklahoma City, bringing together each community's leading health and wellness experts to highlight effective local programs that are helping people mostly children eat right and stay active
 - High-profile panelists and speakers from government and academia have included the mayors of both Austin and Philadelphia; the director of the President's Council on Physical Fitness; the president of the American Dietetic Association; and professors from Johns Hopkins School of Medicine, Baylor College of Medicine, University of Pittsburgh and University of Texas
 - Examples of highlighted programs:
 - Common Threads of Chicago: Program co-founded by Oprah Winfrey's personal chef that helps children explore healthy lifestyles through weekly meal preparations and activities
 - Jump Rope, Eat Smart (JumpSmart): Philadelphia after-school program that has taught more than 850 inner-city children healthy eating while learning advanced jump-rope skills

APPENDIX 1

I. Promotion of Healthy Lifestyles continued

- ACFN forged relationships with nutrition experts to identify and implement new ways to reduce obesity, particularly among vulnerable populations.
 - Conducted two pilot projects focused on making an impact on the disproportionately high rates of obesity in vulnerable and at-risk communities
 - Baltimore project taught African-American children culturally relevant recipes and physical activity, with results packaged into a tool kit distributed to black community leaders nationwide in partnership with the National Organization for Blacks in Dietetics and Nutrition
 - Queens, N.Y., project involved partnership with a Hispanic supermarket, with results packaged into a tool kit distributed to Hispanic community leaders through the organization Latino and Hispanic in Dietetics and Nutrition
 - Conducted outreach activities at the 2005 Food and Nutrition Conference and Expo of the American Dietetic Association
 - Launched new initiative with the ADA Foundation to impact childhood obesity in African-American and Hispanic populations
 - Sponsored working meetings and secured additional partnerships on the project with key working groups inside the ADA, including the National Organization for Blacks in Dietetics and Nutrition (NOBIDAN); Latinos and Hispanics in Dietetics and Nutrition (LAHIDAN); and the Weight Management Dietetics Practice Group
 - Through NOBIDAN and LAHIDAN, distributed hundreds of guides on how to conduct a half-day health and wellness fair for young people in African American and Hispanic communities
 - Moderated a Harvard Medical School Seminar conducted in conjunction with the convention on the causes of childhood obesity and what the food and beverage industry is doing to address it
 - Underscored commitment to working with nutrition experts by sponsoring the ADA board of directors dinner and multiple tables at the ADA Foundation dinner
 - Sponsored an exhibit on the show floor to educate attendees about ACFN and the new initiative with the ADA Foundation on childhood obesity in at-risk populations
 - ACFN published articles on healthy lifestyles in professional journals
 - An article by ACFN Chair Susan Finn, Ph.D., R.D.L.D., F.A.D.A., published in the American
 Journal of Clinical Nutrition examines industry's role in addressing obesity through the creation and
 marketing of more nutritious products and includes a discussion of the ACFN's role
 - An article by ACFN Advisory Board member George L. Blackburn, M.D., Ph.D., and associate director of the division of nutrition at Harvard Medical School, published in the *American Journal of Clinical Nutrition* emphasizes the lack of basic skills by many Americans to access, understand, and use health information and services to make healthy dietary choices and the critical role physicians can play in helping their patients understand dietary guidelines and energy balance

COMPANY INITIATIVES

Companies have supported the following national, local or company programs:

Birds Eye Foods

- Breast Cancer Alliance
- Created and run player of the week rankings for Section V high school athletes, male and female, in soccer, basketball, baseball and softball; award annual player and coaches of the year in Section V for same sports
- Juvenile Diabetes Research Foundation Walk
- MS Bike Ride
- Active Family 8 WROC Rochester

GMA REPORT

U.S. Food and Beverage Industry Initiatives on Diet, Physical Activity and Health

APPENDIX 1

I. Promotion of Healthy Lifestyles continued

- Chase Corporate Challenge
- New York and Monroe County Special Olympics
- Michigan Apple Run
- Easter Seals wheelchair race

Cargill Inc.

- National 4-H Healthy Lifestyles Program Contributed \$100,000 to the National 4-H Council to help local community organizations develop or expand innovative and fun programs that partner youth ages 5 to 12 with adults on issues such as nutrition, physical activity and healthy lifestyles.
- News for Students Foundation In partnership with the News for Students Foundation, created "Healthy Balance," a curriculum guide that incorporates the newspaper to teach children, their teachers and parents about health, fitness, nutrition and food safety; the program ran in newspapers and schools in Ohio, Georgia, Tennessee, Wisconsin, Florida and Kansas during spring 2004.
- America's Second Harvest Contributed \$200,000 to help America's Second Harvest improve access to nutritious foods for its clients and establish a Nutrition Network for Second Harvest affiliates to share information and best practices in the area of nutrition.
- America on the Move Piloting the AOM (America on the Move) program at 11 geographically dispersed locations with more than 500 employees participating, with the potential for a broader rollout within the Cargill work force.

The Coca-Cola Company

- Live It!TM A new health and fitness initiative designed to help middle school students in the U.S. build healthy lifestyles by encouraging physical activity as part of their daily lives and providing nutrition information in schools. Developed in collaboration with The President's Challenge, a program of The President's Council on Physical Fitness and Sports, the School Nutrition Association and the National Association for Sport & Physical Education, the new Live It! campaign features inspirational figures, including seven-time Tour de France champion Lance Armstrong and basketball star Lebron James, to promote healthy eating and physical activity. Live It! features two program components: Step With It!TM promotes "stepping" and other activities that students already enjoy, such as running, dancing and walking, and encourages them to take 10,000 steps a day to build enthusiasm for fitness and maintain good health. Fit It In!TM emphasizes nutritious alternatives, such as fruits and vegetables when making choices for lunch in the cafeteria and encourages students to choose meals and snacks according to the new dietary guidelines. Live It! was tested in select markets in spring 2005 and is now available to middle schools nationwide.
- Triple Play A \$12 million joint health and nutrition program held in partnership with Kraft and the Boys & Girls Club.
- Copa Coca-Cola A tournament for teenage soccer teams currently played throughout South
 America and the U.S. as well as in Spain, Portugal, Poland, Norway, Croatia, the Czech Republic,
 England, Russia and Germany, reaching more than 600,000 student athletes in 2005.
- Thai Kids on the Move Thailand's first government-private section in-school partnership in support of the Healthy Thailand campaign.
- Coalition for a Healthy and Active America With CCE, support current activities such as a
 demonstration research project to develop community programs that can show measurable results in
 addressing childhood obesity; working with PE4 Life to introduce its health and wellness curriculum
 to key states; and continuing to conduct grassroots programs focusing on balanced lifestyles and local
 solutions.
- Community Sports and Recreation Help tens of thousands of young people participate in community sports leagues or on teams sponsored by Coca-Cola in the United States and around the world, including soccer, baseball, softball, football, basketball, tennis and golf.

APPENDIX 1

I. Promotion of Healthy Lifestyles continued

- Women's Heart Health During Women's Heart Health Month, Minute Maid donated 10 cents from each package of Minute Maid Heart Wise Premium Orange Juice to Women Heart: The National Coalition for Women with Heart Disease. Minute Maid also launched the Heart Wise 8-Week Challenge for Health & Wellness, an eight-week program that encourage people to commit to a healthier lifestyle.
- Hoop-It-Up A program presented by POWERade that travels to major cities throughout the summer offering a wide-range of opportunities to play in recreational, competitive, and top gun divisions. Hoop-It-Up is played outdoors on portable basketball goals, and anyone of any age can play.
- NCAA Youth Education through Sports (YES) Clinics that connect girls and boys ages 10-18 with top collegiate coaches and student-athletes at select NCAA championships. Each YES Clinic emphasizes hands-on instruction in sports, conditioning and life skills to participants.
- AAU The largest youth athletic group in the country, AAU offers 34 sports championships and athletic competitions for youth ages 6-18, giving them the chance to compete in basketball, track and field, jump rope and other athletic activities. The annual AAU Junior Olympics attracts thousands of young athletes in an Olympic-styled festival of competition.

Dean Foods Company

- Healthy Mothers, Healthy Babies
- Home Run for Health
- Susan G. Komen "Race for the Cure" National 2003-05
- Boulder Backroads

Dole Food Company

 "There's a Rainbow on My Plate" – A national health education program sponsored along with Crayola and the Produce for Better Health Foundation with three components: 1) a health education program for elementary schools; 2) an in-store promotion for supermarkets; and 3) a nationwide coloring sweepstakes for children ages 4 to 12.

General Mills Inc.

- America's Walk for Diabetes National sponsor at 275 walks across the country sponsored by the American Diabetes Association Foundation.
- Black Entertainment Television Foundation Contributed \$2 million to support BET's "A Healthy BET" Fitness Challenge to promote healthy lifestyles for African-Americans, particularly women.
- BoxTops for Education Program has provided more than \$150 million to schools across the country, \$7 million of which has been used to purchase or install physical fitness equipment.
- Cheerios Health Initiative Scholarships In partnership with the Congressional Black Caucus, General Mills has awarded more than \$1.5 million to youth who plan to study health-focused subjects.
- Champions for Healthy Kids A program that awards 50 grants of \$10,000 each to grassroots organizations each year to support innovative efforts that teach and promote youth nutrition and fitness habits. The program is administered by the American Dietetic Association Foundation and the General Mills Foundation. About 65 percent of the recipients serve ethnic communities. The following 50 nonprofit community groups across the U.S., each in collaboration with a registered dietitian, received Champions for Healthy Kids grants in 2005, totaling \$500,000:
 - Adams Park Community Center, Healthy Futures, St. Louis
 - Albany Community After-School Program, CAP Healthy Kids Challenge, Albany, Ore.
 - Baylor College of Medicine, Project F.I.N.E. (Fitness Information and Nutrition Education),
 Houston
 - Berkshire Health Systems Berkshire Medical Center, Operation Better Start, Pittsfield, Mass.
 - BJC School Outreach and Youth Development, S.N.E.A.K.E.R.S. (Sensible Nutritious Eating and Kids Exercising Regularly and Successfully), St. Louis

- U.S. Food and Beverage **Industry Initiatives on Diet, Physical Activity**
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APPENDIX 1

I. Promotion of Healthy Lifestyles continued

- Boys & Girls Club of Deep East Texas, Right Track, Nacogdoches, Texas
- Boy Scouts of America, Greater Niagara Frontier Council, Family Fitness and Nutrition Project, Buffalo, N.Y.
- Carroll County Resource Council and Prevention Planning Board, Carroll County Healthy Lifestyles Youth Leadership Program, Green Forest, Ark.
- Children's Memorial Hospital, Healthy Teens, Chicago
- Chillicothe Middle School, CMS Goals For Life, Chillicothe, Mo.
- City of Sunnyside Recreation and Community Center, School's Out Fun & Fitness, Sunnyside, Wash.
- Commission on Economic Opportunity, Kids Café, Wilkes-Barre, Pa.
- Community Action Agency of Columbiana County, Head Start Program, 1 2 3 Keeping Fit ... That's for Me, Lisbon, Ohio
- Community Development Center, Becoming Rainbow Fit, Shelbyville, Tenn.
- Cornell Cooperative Extension of Westchester County, Project FANtastic (Fitness and Nutrition), Peekskill, N.Y.
- Denver Museum of Nature & Science, You Are What You Eat, Denver
- East Side Health District, Get Smart At Mandela, East St. Louis, Ill.
- Easter Seals Connecticut, Inc., Ready, Set, Grow! Fitness and Nutrition for All Kids, Hebron,
- Enterprise Charter School, C.H.E.W. (Choosing Health: Enterprise Wellness), Buffalo, N.Y.
- Fitness Forward Foundation, Coach K Drive 2 Fitness, Durham, N.C.
- Genesee Intermediate School District, Sky's the Limit, Flint, Mich.
- Head Start of Lane County, Healthy Garden Project, Springfield, Ore.
- Healthy Children of Rowan County, Healthy Children, Salisbury, N.C.
- Healthy Community Alliance, Inc., Fit & Fun, A School to Community Physical Fitness and Nutrition Program, Gowanda, N.Y.
- Hill Country Memorial Wellness Center, A Wellness Challenge, Fredericksburg, Texas
- Inchelium School, Inchelium Project, Inchelium, Wash.
- The Institute For Urban Family Health, General Mills Youth Fitness and Nutrition Program, New York
- Kentucky Easter Seal Society, DBA Cardinal Hill Rehabilitation Center, Friends in Fitness Initiative, Louisville, Kv.
- Keystone State Games, Inc., See You at the Games, Wilkes-Barre, Pa.
- LaPorte County Leadership, Inc., Rise, Dine and Swim, LaPorte, Ind.
- Long Beach Unified School Dist Head Start Program, Family Fiesta Wellness Program, Long Beach, Calif.
- Lowcountry Food Bank, Inc., H.E.A.P.A. Fun (Healthy Eating and Physical Activity Fun), Charleston, S.C.
- Mercy Medical Center, Let's Get Fit Together, New Hampton, Iowa
- Mesa Public Schools, Fitness Challenge and Nutrition Explosion, Mesa, Ariz.
- Newport Heights Elementary School and Victoria Elementary School, Project Empower, Newport Beach, Calif.
- Nutra-Net, Inc., Hickman Mills School District Teen Health Mentor Program, Kansas City, Mo.
- Perry Community School District, P.A.C.E.S. (Perry's Academic and Cultural Enrichment Services), Perry, Iowa
- Rockford MELD, Healthy Starts for Healthy Families, Rockford, Ill.
- Schools for Healthy Lifestyles, Schools for Healthy Lifestyles, Oklahoma City, Okla.
- Seaman Unified School District, Pyramid for Life: Fit It In, Topeka, Kan.
- South Bend Community School Corporation, S.A.M.P. Healthy Habits (School Age Mothers Program), South Bend, Ind.

APPENDIX 1

I. Promotion of Healthy Lifestyles continued

- Southern Maryland Child Care Resource Center, Inc., Kids Under Construction, Charlotte Hall, Md.
- Spooner Area School District, Team Nutrition Healthy Food, Healthy Lives, Spooner, Wis.
- Texas Tech University, Teamwork: A Service-Learning Approach to Nutrition and Physical Activity, Lubbock, Texas
- Tully Accelerated Elementary Magnet School, Jardineria Para Su Salud (Gardening for Your Health), Tucson, Ariz.
- Turquoise Trails Charter School, F.I.T.T.T. (Families Involved in Team and Trim Training), Santa Fe, N.M.
- University of Tennessee Extension Service, Humphreys County 4-H, Eat More Fruit & Vegetables & Move, Wavery, Tenn.
- Urban Resource Systems, Inc., DBA San Francisco Neighborhood Parks Council, Burbank Sprouts School Gardens, San Francisco
- Wynbrooke Traditional Theme School, Get F.I.R.E.D. Up (Fun In Recreation and Eating Right Daily), Stone Mountain, Ga.
- Watertown Family YMCA, Kids NutriFit, Watertown, N.Y.
- Presidential Active Lifestyle Awards Supports up to 50,000 youth toward earning the PALA for
 establishing and maintaining a physically active lifestyle as prescribed by The President's Challenge
 model program
- Susan G. Komen Foundation Contributed more than \$14 million to breast cancer-related causes
 over the last seven years. The Save Lids to Save Lives campaign is one major brand initiative that
 involves consumers in the cause. Yoplait is also the National Series Presenting Sponsor of the Susan
 G. Komen Foundation's Race for the Cure and a member of the Susan G. Komen Foundation's
 Million Dollar Council.
- Financial support for youth nutrition and fitness initiatives Through Champions for Healthy Kids, PALA and other initiatives, the General Mills Foundation has contributed \$6 million over the last three years to support youth nutrition and fitness efforts. These contributions have gone to programs that have served more than 100,000 children.
- WomenHeart 8th Continent and Berry Burst Cheerios support and promote women's heart health and the national Red Dress campaign.
- Women's wellness issues Yoplait has supported health issues including breast cancer awareness, heart health, osteoporosis prevention and fitness for 17 years.
- Total You General Mills' comprehensive employee wellness program focuses on nutrition, fitness, preventive care and medical services. Employee wellness programs have been in place at General Mills for more than 20 years.
- "10/10 Challenge" An employee wellness program to help overweight individuals lose 10 pounds in 10 weeks through an individualized menu and exercise plan developed in conjunction with the American College of Sports Medicine. More than 500 employees have lost nearly 3,000 pounds collectively.

Gerber Products Company

- CATCH (Community Access to Child Health) A national program of the American Academy of Pediatrics that supports pediatricians who are involved with community-based health efforts for children
- Start Healthy, Stay Healthy A multifaceted nutrition program that includes workshops, pediatrician outreach and consumer information
- "Baby Showers" Events for expectant moms that include nutrition awareness messages in local communities where Gerber operates

The H.J. Heinz Company

- America's Second Harvest Field Representative Program (coordination and sharing of resources)
- Greater Pittsburgh Community Food Bank Nutrition education program
- Obesity Conference with Allegheny County Medical Society
- Summer camps (in conjunction with YMCA's physical activity programs for children with special needs)
- New Kensington Youth Program (academics include physical activity for at-risk children)
- Special Olympics 57 athletes sent to the event
- IFIC's Kidnetic
- Heart Association Heart Walk
- Father's Day 5K Race for Prostate Cancer
- Heinz Company Foundation has been committed to promoting the health and nutritional needs of children and families since it was established in 1951.

Hormel Foods Corporation

- Youth soccer; baseball, football and basketball associations; and parks and recreation departments
- HORMEL[®] Hunger Walk
- L.A. Galaxy Soccer Clinic
- Mega Mall Fitness Walk
- YMCA grants
- Southern Minnesota Initiative Fund

Kellogg Company

- Earn Your Stripes An initiative sponsored by Kellogg's Frosted Flakes that is designed to help kids build their confidence, stay fit and at the same time have fun
- Girls on the Run Prevention program that encourages pre-teen girls in the United States to develop self-respect and healthy lifestyles through running
- Tips from the Pros Offers kids personal training tips and challenges to improve their athletic game from their favorite sports heroes
- Junior Olympic Skills Competition (JOSC) A national "grassroots" program that encourages physical activity and athleticism to help kids stay fit
- 2006 Olympics A program encouraging children to overcome everyday challenges and perform their best, providing unique access to athletes and their stories on how they earn their stripes every day.
- Get in Step A 12-week plan that provides nutrition and exercise tools to help adults balance their weight and kids grow into healthier bodies
- Little League World Series Athletic development and sportsmanship of children at the 2005 Little League games
- Susan G. Komen Race Involved in the Susan G. Komen Race for the Cure for nine years and National Series Sponsor for four years
- Healthy Beginnings Categorizes wellness cereals into five different health management platforms: weight management, heart health, low fiber intake, successful aging and cholesterol, to help consumers find the product that's right for them
- Tiger Power Triathlon Mini-triathlon events held in major U.S. cities to educate parents and children about the importance of leading a healthy and active lifestyle
- Kellogg's Fiber Challenge Encourages consumers to have a daily bowl of Frosted Mini-Wheats for two weeks to help reduce cholesterol, control appetite and safeguard against colon cancer and heart attack
- Special K Challenge A weight-loss program to help individuals lose six pounds in two weeks; information about the program as well as an online journal are available on the Special K brand Web site

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APPENDIX 1

I. Promotion of Healthy Lifestyles continued

APPENDIX 1

I. Promotion of Healthy Lifestyles continued

- Seven Day Shape-Up Plan A low-fat diet with three meals, a mid-morning snack and late-evening snack introduced by Worthington Foods subsidiary, makers of the Morning Star brand. The plan allows individuals to save on average more than 280 calories and nearly 25 grams of fat per day. Using the meal plan daily for an entire week can save 2,000 calories and about 200 grams of fat.
- White House Easter Egg Roll Developed Kellogg Kids in Action booklet for new physical activity
 event that was part of the annual egg roll on the White House South Lawn. The booklet was also
 sponsored by the President's Council on Physical Fitness and Sports and the National Association of
 Sports and Physical Education.
- Annual Sport, Cardiovascular and Wellness Nutritionists Conference Displayed Healthy Beginnings
 initiative and sponsored Anne Fletcher, who presented "Winning at Weight Control: What We Can
 Learn from Maintainers"
- California Dietetic Association Annual Meeting and Exhibition Showcased the Healthy Beginnings initiative
- WIC Walks the Talk Encourages WIC staff fitness with activity challenges, information, incentives, individual motivational messaging and e-mail updates
- International Congress of Dietetics Annual Conference Sponsor of "Kellogg Breakfast and Nutrition Symposium" in 2004 as part of the ICD Conference in Chicago
- Intercultural Cancer Symposium
- Speaking of Wellness
- University-based nutrition research and numerous amateur sports events and programs

Kraft Foods Inc.

- "Triple Play" program A partnership with Coca-Cola and Boys & Girls Clubs of America,
 promoting healthy lifestyles through nutrition education, physical activity and social programs
- Salsa, Sabor y Salud A healthy lifestyles program for Latino children ages 3 through 12 and their families
- Kraft's Community Nutrition Program A program to increase the nutritional quality of food provided by America's Second Harvest network of food banks
- Partnership to Promote Healthy Eating and Active Living A national advocacy group promoting healthy lifestyles
- ACFN A national advocacy group promoting policies to facilitate healthy lifestyles
- Kidnetic.com A Web-based program promoting healthy lifestyles for children ages 9 through 12.
- Major League Soccer
- Happy Healthy Kids An obesity prevention program for pre-schoolers in the Chicago Public Schools conducted by the University of Illinois School of Public Health
- Support for hunger and healthy lifestyles programs across the country in the communities where Kraft has plants and other facilities
- Grants to 18 YMCAs and YWCAs across the country
- Los Angeles County Community Development Foundation, Healthy Lifestyle Initiative
- Healthy Kids Challenge
- CHARO Community Development Corporation
- National 4-H Council
- Church Health Center of Memphis, Inc.
- Girls in the Game
- Wausau Child Care, Inc. Addressing the health benefits of an active lifestyle for pre-school children
- Big Brothers Big Sisters of the Marathon County Area, Inc.
- Birch Trails Girl Scout Council WI, Inc.
- Saint Clare's Foundation, the Fit Kids program
- Children on the Green, Inc. Healthy lifestyle activity program for children

- Star of Hope Mission After-school physical activity program for children
- The Salvation Army Modesto, Calif., after-school nutrition and fitness program
- Cornell University, County Extension Service Addressing health benefits of an active lifestyle
- Pennsylvania Special Olympics
- St. Lawrence County Health Initiative, Inc.
- Center for Human Services Health and diabetes awareness campaign for children
- The Iowa 4-H Club Foundation
- Waupaca Preschool, Inc. Healthy beginnings program for pre-school children
- Big Brothers Big Sisters of Northeastern Big Brothers Big Sisters of Wisconsin, Inc.
- · Edgewood Center for Children and Families
- Sports 4 Kids
- Delaware Opportunities, Inc. Physical activity program for children and families
- United Way of South Hampton Roads
- CAP Services Physical activity programs for children and families
- San Antonio Sports Foundation, the Go! Kids Challenge
- Houston Area Women's Center Arts education and access dance performance for children
- Communities in Schools of Newberry County
- South Carolina First Steps to School Readiness Increasing knowledge of fitness and its importance to health
- Project Life, Urban League of Greater Richmond
- Pro Action of Steuben and Yates, Inc. Increasing knowledge of fitness and its importance to health for pre school children
- Camp Good Days and Special Times
- Embrace Your Dreams Physical activities for underserved low-income children
- Georgia State University Foundation/After-School Allstars Inner-city games summer teen camp teaching life skills
- North Fulton Optimists of Alpharetta Summer camp for special-needs children incorporating physical activity
- First Tee of Fort Smith Arkansas, Inc. Fitness program for the development of healthy lifestyle choices for children
- The Carl and Emily Weller Center for Health Education, Kids in Motion program
- 4-H Watonwan County Healthy lifestyles garden project for children
- National Kidney Foundation of Georgia Camp Independence for children with kidney disease to enjoy physical activities
- Fellowship of Christian Athletes National Special Olympics Wisconsin-Fox Valley Area
- Cenikor Foundation, Inc. Colorado social service program support for abused women and children
- Helping Hands-Freedom Trails, Inc. Outdoor adaptive activities for individuals with varying abilities
- Rainbow Infant Toddler Day Care, Inc. Healthy lifestyles summer program for children

McKee Foods Corp.

- American Diabetes Association Tour de Cure
- Police golf tournament
- Greater Chattanooga sports/events Soccer, tennis, basketball
- Grants to Collegedale Greenway

Nestle USA

Do Something Good for Yourself Wellness Tour – Allows individuals and their friends to consult
with registered dieticians, work out with certified personal trainers and taste Lean Cuisine products at
various events around the country

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APPENDIX 1

I. Promotion of Healthy Lifestyles continued

- Speaking of Women's Health Educate women to make informed decisions about their health, well being and safety
- Ironman North America PowerBar the sponsor of all eight events in 2005
- 2005 Breast Cancer 3-DAY Series Benefiting the Susan G. Komen Breast Cancer Foundation
- "Psst... Pass It On" A national consumer educational campaign and fundraising effort designed to make it easy for individuals to make a difference in the fight against breast cancer
- PowerBar Team Elite A grassroots athlete sponsorship program that endorses and supports athletes across a variety of sports, sponsoring marathons, hometown runs, rides and walks

APPENDIX 1

I. Promotion of Healthy Lifestyles continued

PepsiCo Inc.

PepsiCo has launched its S.M.A.R.T. lifestyle program that involves five simple steps to achieve energy balance with smarter food choices and a little more exercise.



S.M.A.R.T. impacts both sides of the energy balance equation: managing the calories consumed through food and the calories burned from physical activity. For more ideas on how to live S.M.A.R.T., consumers can visit smartspot.com, which provides interactive tools, tips and resources to help our consumers learn about ways to incorporate better nutrition and physical activity into their lives. The S.M.A.R.T. program is also supported with a national advertising campaign and in 2006, PepsiCo's plans are to build 12 playgrounds across the country to support more active lifestyles for kids – and get kids to "Move more."

- America on the Move Promotes healthy eating and active living. PepsiCo and AOM have partnered
 with the National Urban League and the National Council of La Raza to address community health
 concerns that affect African Americans and Latinos.
- IFIC's Kidnetic.com
- YMCA First Mission Sponsor in 1998, contributing \$16 million for 10 years
- American Council on Fitness and Nutrition Founding member
- Women's Sports Foundation
- Balance First A lesson plan developed by America on the Move and PepsiCo to help educate kids about healthy eating and active living. In 2004, this program reached 3 million elementary age kids. In a partnership with Discovery Channel, Balance First has been distributed to virtually all 15,000 middle schools in America. There is no linkage to PepsiCo product sales and no product/brand integration in the program.
- Gatorade-University of North Carolina Partnership Encourages kids to be active
- Gatorade Player of the Year Award Unique athletic award program developed two decades ago to honor America's elite high school athletes who are successful on and off the field
- The Get Active/Stay Active Initiative Supports youth sports programs and the YMCA
- Smart Heart Challenge A 30-day program to reduce cholesterol and decrease the risk of heart disease
- Strive for 5 A family nutrition program developed in collaboration with the American Dietetic

Association to provide daily tips and interactive tools based on the leading recommendations of childhood overweight research and the ADA.

- PE Central (Get Active Stay Active Web site for PE teachers)
- Cooper Institute for Aerobics Research (fitnessgram/activitygram)
- National Urban League
- National Council of La Raza
- YMCA Programs that encourage healthier kids' lifestyles and youth leadership development, including YMCA Fitkids: Learning for Life.
- The Cooper Institute A grant for software that helps teachers track students' progress toward achieving the President's Council on Physical Fitness & Sports Presidential Active Lifestyle Award
- Get Kids in Action
- P.E.4Life A program that inspires active, healthy living by advancing the development of quality, daily physical education for all children
- Performance challenge
- Educational mailings

Ross/Abbott

- American Diabetes Association America's Walk for Diabetes
- March of Dimes Walk America
- American Heart Association Heart Walk
- Grants to Children's Hunger Alliance
- Homeless Families Foundation

Sara Lee Corporation

- IronKids Bread Triathlon Involved more than 40,000 children since its inception in 1985
- IFIC's Kidnetic.com
- Susan G. Komen Race for the Cure
- Softball, little league and soccer teams
- March of Dimes
- Sponsorship of and volunteering at local races (Flying Pig Marathon, etc.)

Ilnilovo

- · Workshops on nutrition and health for Hispanic children and families
- Meals on Wheels
- America's Second Harvest Various local food banks
- Red Cross Disaster relief
- Habitat for Humanity
- Minor League Baseball (Country Crock)
- Skippy Sports Illustrated for kids
- Slimfast Online

Welch's

- Walk for Hunger
- Local health fairs with health screenings; walks, runs and cycling events; town picnics; and school field days
- Youth athletic leagues

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U.S. Food and Beverage Industry Initiatives on Diet, Physical Activity and Health

APPENDIX 1

I. Promotion of Healthy Lifestyles continued

APPENDIX 1

continued

II. Products and Choices

Company initiatives

- Kraft Foods is introducing new products and improving existing products to give consumers more
 choices to address their health and wellness needs. This includes assisting consumers with better
 managing portion size and improving labeling on smaller pack sizes so consumers don't have to
 "do the math."
- A few of the recent Kraft Foods initiatives include:
 - Introducing Nabisco 100% Whole Grain cookie and cracker line, which is made with 100% whole grain and contain 0 grams of trans fat
 - Launching Supermac & Cheese, which is made with whole grain pasta and contains vitamins B1,
 C, D and E
 - Reformulating every Oscar Mayer Lunchables Lunch Combinations product to reduce calories, fat and sodium
 - Introducing the South Beach Diet line to help change the way America eats
 - Creating Kraft 2% Milk Singles with twice the calcium
 - Establishing the Nabisco 100 Calorie Pack line, the first portioned controlled packages of cookies and crackers specially formulated to be 100 calories per serving
 - Launching Planters NUT-rition Lightly Salted Heart Health Mix, Cashews, Almonds and Macadamias, with 50 percent less salt than the leading brand of almonds
- Bimbo Bakeries introduced Mrs. Baird's brand of Harvest Select products offering nine vitamins and minerals, calcium, folic acid and fiber without trans fat.
- For its Mott's brand, Cadbury Schweppes Americas Beverages introduced Healthy Harvest, an unsweetened apple sauce made with all natural ingredients, vitamin C and no refined or processed sugar; natural and organic apple sauce made with 100 percent apple juice products; fortified blends in a Mott's Plus for Kids and Mott's Plus Light; and a fortified, reduced-calorie apple juice beverage for adults. For its 7 Up brand, the company introduced 7 Up Plus, containing fruit juice, sweetened with the low-calorie Splenda, and offering 15 percent of the daily value for calcium and vitamin C per 12-ounce can.
- Campbell Soup Company's Pepperidge Farm subsidiary introduced whole wheat, honey oat, dark
 German wheat, crunchy grains and multi-grain breads as part of its natural whole grain bread line
 and removed trans fat from its entire line of Goldfish crackers.
- As part of its Nutrition and Wellness Initiative, Campbell Soup Company introduced Spaghetti-Os Plus Calcium, fortifying the product with 30 percent of the daily value of calcium and 25 percent of the daily value of vitamin D.
- The Coca-Cola Company introduced new healthy-for-you products as part of its Minute Maid line, including Minute Maid Light beverages, Extra Vitamins C and E plus Zinc, Heart Wise, Plus Calcium, Plus Calcium and Vitamin D, and Kids+, which contains added vitamins and calcium. The company also offers 100 fruit juices and juice blends.
- ConAgra Foods offers Egg Beaters, which are fat free and have fewer than half the calories of regular eggs. Its Healthy Choice line of products offers frozen meals, ice cream, soups, bread and lunch meats, all low in fat, saturated fat, and controlled sodium and cholesterol.
- The entire soft line spread of ConAgra Foods' Fleishmann's brand was reformulated to contain no trans fat per serving. The brand now features Fleishmann's Light with low saturated fat; Fleishmann's Unsalted, which is sodium free; and Fleishmann's made with olive oil.
- ConAgra Foods' Lightlife brand offers 100 percent natural vegetarian foods.

APPENDIX 1
II. Products
and Choices
continued

- ConAgra Foods introduced Orville Redenbacher's Smart Pop!, a whole grain, fiber-rich product that is naturally sugar free, 94 percent fat free, and contains no trans fat, saturated fat or cholesterol. The company also offers popcorn cakes in regular and mini sizes.
- ConAgra Foods' Hunt's brand includes healthy for you products such as diced, whole, stewed and crushed tomatoes; puree; pasta sauce; and spaghetti sauce.
- ConAgra Foods introduced Golden Cuisine, formulated by product development specialists and registered dietitians specifically to meet the nutritional needs of seniors.
- ConAgra Foods offers Ultragrain, a revolutionary whole wheat flour that provides whole grain nutrition while still maintaining the sweeter taste and softer texture found in traditional white flour.
- Dannon Company introduced Danimals, child-size yogurts and yogurt smoothies that offer twice the
 daily calcium of the normal yogurt, Carb Control yogurts and smoothies as well as Light 'n' Fit, with
 some products containing zero grams of fat.
- For its Horizon Organic line, Dean Foods Company offers 100 percent single-serving juices, baby yogurt and fat-free yogurt, and reduced-fat and fat-free milk.
- Dean Foods Company's Silk brand includes kids packs, Silk Light with half the fat and fewer calories, and Silk Live, a drinkable cultured soy smoothie with six active cultures, along with omega-3 and other vitamins and minerals.
- In addition to a regular product line that includes canned vegetables, various tomato products and canned fruit, Del Monte Foods Company offers canned vegetables with no salt added, reduced-carbohydrate canned fruit, canned fruit in light syrup as well as canned fruits in 100 percent juice.
- Dole Food Company introduced Dole Fruit Bowls, a convenient half-cup size that provides one serving of fruit.
- General Mills offers a broad range of products to meet consumers' changing needs, taste preferences and lifestyles. General Mills offers more than 250 products at 130 or fewer calories per serving, including cereals, soups, yogurt, granola bars, dinner rolls, vegetables and soymilk.
- In October 2004, General Mills reformulated all of its Big G breakfast cereals to deliver the benefits
 of whole grain. This single initiative delivers 28 million whole grain servings everyday across America
 that's 12 million servings for kids without extra calories and without asking consumers to
 change their behavior.
- General Mills has been improving the taste and health profile of its cereals continuously for the last 50 years by adding benefits like vitamins, folic acid, iron and calcium.
- The soluble oat fiber in General Mills' Cheerios and Honey Nut Cheerios can help reduce cholesterol.
- General Mills cereals are low in calories, and rich in nutrients. Studies have also found that more frequent cereal eaters tend to have healthier body weights.
- General Mills launched Cascadian Farm's Clifford Crunch, an organic whole grain cereal formulated for kids' nutrition that offers, at 5 grams per serving, an excellent source of fiber. It also provides a good source of calcium, vitamins E and D.
- Fiber One Honey Clusters is a new addition to General Mills' cereal line that provides more than 50 percent of the Daily Value for fiber in one serving.
- All of General Mills' Yoplait products provide either an excellent or good source of calcium. Yoplait is
 the only leading adult yogurt that also provides an excellent or good source of vitamin D, which
 helps with calcium absorption to improve bone health.

APPENDIX 1 II. Products and Choices continued

- Yoplait products come in many choices, including cup yogurts, GO-Gurt kid yogurt in a tube, smoothies and Nouriche. Many Yoplait products also offer a lighter, low- or nonfat and lower-calorie choice. In total, Yoplait delivers more than 5 million servings of dairy everyday to American consumers.
- Green Giant has made vegetables convenient for more than 100 years, with low-fat sauces and with pre-cut or pre-mixed portions in resealable bags. Green Giant recently launched individual microwavable vegetable trays in test markets that are sized perfectly for kids and adults alike. Each year, Green Giant provides consumers with more than 600 million pounds of vegetables.
- Nature Valley offers Healthy Heart chewy granola bars containing plant sterols, which can help lower cholesterol.
- General Mills brought branded organic products further into the mainstream with Cascadian Farm and Muir Glen branded products. Each year, these two brands provide Americans with 150 million pounds of organic vegetables and fruits.
- 8th Continent launched light and fat-free choices of soy milk, which comes in regular, vanilla and chocolate.
- Bisquick now comes in a Heart Smart choice that is low-fat, naturally cholesterol free and a good source of calcium. It carries the American Heart Association seal for meeting AHA's food criteria for saturated fat and cholesterol.
- General Mills is making it easier for consumers to choose and control portions and portion sizes. Pop Secret offers 100-calorie popcorn portioned bags. Pillsbury has a line of frozen dinner rolls and other dough products in resealable pouches to allow consumers to bake just one at a time. Perfect Portions delivers refrigerated biscuits in portions of two. Warm Delights offer hot fudge brownies and other desserts in single-serving sizes. With many varieties at just 100 calories a serving, Progresso soups offer great tasting, high satiety soup products loaded with vegetables. Each year, Progresso cooks up 60 million pounds of vegetables.
- George Weston Bakeries' Boboli brand features 100 percent whole wheat crust.
- Gorton's Seafood's entire line of fish sticks and filets have zero grams of trans fat, while the grilled filets have only three grams of fat, 100 calories and one gram of carbohydrates per serving.
- H.J. Heinz Company offers healthier-for-you products including Heinz No Salt Added Ketchup, Heinz Organic Ketchup and Heinz One Carb Ketchup.
- The Hershey Company offers various low-fat chocolate products and a line of sugar-free chocolate products.
- J.M. Smucker Company offers a reduced-fat version of its Jif brand peanut butter.
- Within its Benecol line, Johnson & Johnson's McNeil Nutritionals subsidiary offers Smart Chews, containing Plant Stanol Esters that actively work to help block cholesterol from being absorbed into the digestive system, reducing "bad" LDL cholesterol levels while maintaining "good" cholesterol levels, as well as spreads that have zero carbs and are trans-fat-free, lactose-free and gluten-free.
- Johnson & Johnson's McNeil Nutritionals subsidiary offers Lactaid Dietary Supplements, which work to naturally break down milk sugar. Lactaid brand milk is 100 percent lactose-free real milk.
- Johnson & Johnson's McNeil Nutritionals subsidiary, makers of Splenda, offers a no-calorie sweetener available in granular form and in packs.
- Johnson & Johnson's McNeil Nutritionals subsidiary, makers of Viactiv, offers calcium and multivitamin chews for women.
- Morning Star, a brand produced by the Kellogg Company's Worthington Foods subsidiary, includes
 more than 25 varieties of veggie foods, from veggie burgers to chik patties to veggie dogs. An organic
 soy product line recently was introduced.

APPENDIX 1
II. Products
and Choices
continued

- Mars Incorporated's Uncle Ben's brand features whole grain brown rice as well as Hearty Soup-Black Beans and Rice, an excellent source of magnesium, iron and folate.
- The Hot Pockets line, manufactured by Nestle USA Inc., includes Lean Pockets Ultra, offering a crust rich in fiber and topped with whole grains, with only 12 grams of net carbohydrates and six grams of fat.
- Nestle USA Inc.'s Lean Cuisine brand introduced 100 percent whole grain spa cuisine, providing two
 servings of whole grain in every meal. The entire line offers products that are low calorie, low fat, low
 carb, low cholesterol, low sodium, high protein, high vitamin A, high vitamin C, high in calcium,
 high in iron and high in vegetable servings.
- Nestle USA Inc.'s Juicy Juice is a 100 percent juice product.
- Nesquik Powder, a Nestle USA Inc. product, is specially fortified with added calcium and other essential vitamins and minerals.
- Carnation Instant Breakfast, a Nestle USA Inc. product, provides protein as well as 21 essential vitamins and minerals. The line also features carbohydrate-conscious varieties.
- Ocean Spray Cranberries Inc. offers healthier-for-you products including light juice drinks and 100 percent cranberry and grapefruit juices.
- Smart SpotTM, the little green dot, appears on move than 100 PepsiCo products that contribute to a healthier lifestyle.
- The Quaker Oatmeal line, manufactured by PepsiCo Inc.'s PepsiCo Beverages & Foods subsidiary, includes Lower Sugar Instant Oatmeal and Quaker Take Heart, made with heart-healthy ingredients.
- In addition to introducing natural and organic snacks, PepsiCo Inc.'s Frito Lay brand is now offered in light and baked versions.
- PepsiCo Inc. subsidiary Frito-Lay introduced a baked version of its Cheetos line of products.
- PepsiCo Beverages & Foods introduced new products in its Gatorade line, including Propel Fitness Water, a lightly flavored water with vitamins, and a nutrition shake providing 20 grams of protein.
- PepsiCo Beverages & Foods offers Tropicana Essentials in various formulations Healthy Kids, Low Acid, Light, Healthy Heart and Immunity Defense.
- Procter & Gamble Company's Pringles brand is now offered in 100-calorie packs containing zero grams of trans fat, zero grams of cholesterol and six grams of fat. Other healthier-for-you options include Reduced-Fat Pringles, with one-third less fat than regular Pringles, and Fat-Free Pringles.
- IronKids Bread, made by Sara Lee Corporation, has all of the fiber and many of the nutrients of wheat bread with the softness of white bread.
- Unilever's I Can't Believe It's Not Butter brand is offered in fat-free, light and added calcium varieties. All products in this line have zero grams of trans fat per serving.
- Unilever introduced Ragu Light, with no sugar or added pasta sauce, and Ragu Organic to its line of tomato sauces.
- Breyers Ice Cream, made by Unilever, is offered in low-carbohydrate, low-fat and no-sugar-added varieties. A low-calorie option, Cal Smart Ice Cream, recently was introduced.
- Unilever introduced the Carb Smart brand line encompassing products that include ice cream, pasta sauces and salad dressings.
- Welch Food Inc. offers brands such as Welch's Light White Grape, Light Grape and Light White Grape Peach Juice Cocktails, all of which are high in vitamin C and calcium and low in calories. Other healthier-for-you options from Welch's include 100 percent fruit juice.

APPENDIX 1 continued

III. Consumer Information

Company initiatives

The following are examples of health and wellness information posted on company Web sites:

- ACH Food Companies, maker of Mazola, provides information on healthy eating, addressing issues such cholesterol and fat, heart disease, blood pressure, stroke and diabetes. The company also explains how to read the nutrition facts panel and the difference between fats.
- Kraft Foods is stepping up efforts to provide useful nutrition and fitness information through Web sites, recipes, print materials and publications to give consumers additional practical information to help them make good nutrition and activity choices. This includes a dedicated Healthy Living section on kraftfoods.com, detailed information on the on-pack Sensible Solution nutrition criteria on kraftfoods.com; healthy living recipes identified with a sunburst icon in the food & family consumer magazine and an extensive on-line effort to help consumers manage diabetes with the Kraft Diabetic Choices Program.
- For its Planters brand, Altria Group Inc. subsidiary Kraft Foods Inc. offers nut nutrition information on its Web site, allowing consumers to search by nut or nutrient; a nutrition quiz as well as news articles on the health benefits of nuts. It also provides tips and recipes for a healthy lifestyle.
- Altria Group Inc. subsidiary Kraft Foods Inc., maker of Nabisco products, helps consumers identify
 better-for-you choices through "Sensible Solutions" criteria providing beneficial nutrients such as
 protein, calcium, fiber or whole grain at meaningful levels; delivering a functional benefit such as
 heart health or hydration while staying within specific limits on calories, fat, sodium and sugar; or
 meeting specification for "reduced," "low" or "free" in calories, fat, saturated fat, sugar or sodium.
- Barilla America Inc., makers of Barilla pasta, offers pasta meal nutrition, including information on
 the health benefits of pasta, the Mediterranean diet as an alternative food pyramid, carbohydrates in
 relation to athletic performance, lycopene and the dangers of a low-carb diet.
- Bimbo Bakeries USA has a Health Connection section, stressing the importance of balance in a healthy lifestyle and including a portion size guide, an "Ask a Nutritionist" section, and information on the new Dietary Guidelines and cutting calories.
- Birds Eye Inc. provides information on how to meet the Dietary Guidelines' recommended servings of fruits and vegetables.
- For its Mott's brand, Cadbury Schweppes Americas Beverages created a "Get Apple Healthy" site, providing information on the health benefits of apples and apple products as well as information on the importance of a nutritious diet and regular exercise. The site also features a healthy snacking quiz for kids and nutritious recipes. For its 7 Up brand, the company offers Families Plus, a newsletter for parents that stresses the importance of staying active, both mentally and physically and including tips on exercise and creativity. The 7 Up Web site also features diet drink recipes created by Weight Watchers using Diet A&W, Diet 7 Up, Diet Canada Dry, Diet Sunkist and Diet Dr. Pepper.
- Campbell Soup Company created a Center for Nutrition and Wellness, a Web site offering information on "Eating Well," with recipes and practical tips; "Living Well," with simple choices for nutrition and health; and "Being Fit," with information on being more active and having more energy.
- Campbell Soup Company's Pepperidge Farm Web site offers "Whole Grain Basics" information on the health benefits of whole grains as well as a "Healthy Eating Center," which features an "Eating Well" section with articles on good nutrition, a "Better Health" section with an article on exercise at work, and a "Quiz Corner," which tests healthy eating knowledge.
- Campbell Soup Company offers a "Parents Page," providing parents with information on the nutritional value of SpaghettiOs.

APPENDIX 1
III. Consumer
Information
continued

- As part of its Nutrition and Wellness Initiative-Drink Smarter, Campbell Soup Company provides
 information on antioxidants and vitamins in the company's V8 brand as well as a guide to creating a
 balanced diet using the Food Guide Pyramid.
- Chicken of the Sea has a "Mermaid Club," which offers health tips and articles, new products and recipes, as well as information on the health benefits of Omega-3 fatty acids.
- Coca-Cola Company offers the "Minute Maid Heart Wise Eight-Week Challenge," allowing
 consumers to download healthy meal plans to help them make smart food choices and incorporate
 Minute Maid Premium Heart Wise. The Web site also provides basic information on heart disease and
 the risk of heart disease for women as well as nutrition tips and quizzes in a "Healthy Living" section.
- For its Egg Beaters brand, ConAgra Foods offers egg alternative nutrition facts, including nutrition benefits, a conversion chart, ideal body weight calculator and protein needs calculator. The site also includes Egg Beaters recipes.
- Nutrition information for all of ConAgra Foods' Healthy Choice products is available on the brand's
 Web site, along with a "Healthy Choice Newsletter," which includes recipes and articles focusing on
 health and wellness issues. The site provides guidance on how to meet the government's Dietary
 Guidelines and how to utilize the Food Guide Pyramid when making food choices. It also helps
 consumers create a shopping list and weekly meal plan with the Food Guide Pyramid in mind.
- ConAgra Foods' Fleishmann's brand Web site provides customized solutions to eating and living better, a trans fat Q&A section, as well as a "Dietitians Corner," offering informative resources to help registered dietitians provide their clients with balanced nutritional information.
- A "Wellness and Lifestyle" section can be found on ConAgra Foods' Lightlife Web site, providing information on how to eat healthy as a family, how to raise your kids vegetarian, how to take positive steps to a better life, and the health benefits of soy.
- ConAgra Foods' Orville Redenbacher Web site offers information on whole grains and their health benefits.
- A "Healthy Living" section of ConAgra Foods' Hunt's brand Web site provides information about lycopene and its health benefits, tips to increase consumption of lycopene and tomato recipes.
- Information about whole grain nutrition and the role whole grains play in the Dietary Guidelines can be found on ConAgra Foods' Ultragrain brand Web site.
- A "Healthy Lifestyle Promotion" section of Dannon Company's Web site offers information on how to achieve energy balance by moving more.
- Dean Foods Company offers a "Live Healthy" section on its Web site, providing information on the importance of dairy in a well-balanced diet and the health benefits of soy. A nutrition news section provides links to news stories on dairy and soy.
- A "Healthy Living" section is included on Dean Foods' Horizon Organic brand Web site, offering
 links to information on the Dietary Guidelines, DRIs, the Food Guide Pyramid as well as a BMI
 calculator. The site also allows visitors to e-mail a registered dietitian with nutrition and health
 questions.
- A "Soy and Health" section is featured on Dean Foods' Silk brand Web site, offering information on the health benefits of soy and how to incorporate it into your diet, the benefits of soy for heart health, information on how soy can help maintain a healthy prostate, bone strength and soy as well as diabetes and soy.
- Del Monte Foods Company has a "Health and Nutrition" section offering information on the new Dietary Guidelines and how to make it simple to incorporate the recommendations into everyday life, healthy tips to include more fruits and vegetables into your day, and a healthy recipes section.

APPENDIX 1 III. Consumer Information continued

- Dole Food Company offers a kids section on its "5 a Day" Web site providing interactive games that teach children how to incorporate more fruits and vegetables into their diets as well as information on the importance of physical activity. The company also offers a nutrition newsletter.
- The General Mills.com Web site features an extensive Health & Wellness section that emphasizes the importance of nutrition and exercise. It provides information on topics such as calcium, folic acid, the food pyramid, weight management and the benefits of cereal. It details and explains the company's "Goodness Corner," a package icon system that communicates nutrition information based on FDA criteria and guidelines. Other resources include tips to staying active, a BMI calculator, and separate sections on youth nutrition and fitness, materials for health professionals, and health news.
- General Mills' Green Giant Web site offers a "Guide to Better Eating Better Living," which includes ideas on fitness and ways to eat more vegetables and explains how frozen vegetables are as nutritious as fresh. "Giant Steps for Better Heart Health" also provides lifestyle tips to a healthier heart.
- General Mills' Yoplait Web site offers a "For Your Health" section with a spotlight on the health benefits yogurt offers, including calcium and active and live cultures, as well as ways to create a healthy weight loss plan.
- General Mills' BrandNewYou.com Web site provides information on nutrition, products and exercise
 as part of a weight management program. Based on weight, height, age, gender and exercise habits,
 "Brand New You" delivers a 10-week plan designed to help individuals lose an average of one pound
 per week. The plan includes nutrition information, recipes and meals developed by dieticians. General
 Mills worked with the American College of Sports Medicine to provide fitness and activity advice.
- George Weston Bakeries offers a "Health and Lifestyle" section on the company's Boboli brand Web site, providing information on carbohydrates, fat, cholesterol, calories, fiber and grains.
- Gorton's Seafood provides information on the health benefits of Omega-3 fatty acids in salmon.
- The Web site for H.J. Heinz's Classico brand features information on the benefits of lycopene.
- H.J. Heinz Company offers a Heinz Handbook of Nutrition on its Web site.
- General nutrition information found on The Hershey Company's Web site include a fat fact sheet
 and information on the role diet plays in dental health; the importance of physical activity,
 specifically in children; children's eating patterns; and how to encourage healthy eating, as well as
 recommendations on how to become more physically active.
- Hormel Foods Corporation features a "Knowledge" area on its Web site, including the sections Fruit
 Nutrition Facts and Classifications, The Role of Dietary Fiber in a Healthy Lifestyle, The Glycemic
 Index, BMI Assessment, Exercise and a Healthy Lifestyle, A Low-Carb Lifestyle, Low-Fat Recipe
 Substitutions, and Metabolism and Weight Management.
- J.M. Smucker Company features a "Mom Advisor" on its Web site, providing parents with information on teaching their children lessons on healthy food choices while shopping at the grocery store. The site also includes information on the benefits of cooking with your children and engaging them in meal planning.
- Johnson & Johnson's McNeil Nutritionals subsidiary Web site for the Benecol brand provides recipes and meal plans to help lower cholesterol, information about cholesterol, how to live heart healthy through eating smart, exercising and reducing stress. A Success Story page allows users to share their stories. Users also can receive regular e-mail updates on cholesterol management as well as heart-smart recipes.
- An "Ask the Expert" section on Johnson & Johnson's McNeil Nutritionals Lactaid brand Web site
 allows users to ask questions about lactose intolerance and includes a lactose fact sheet and a dairy

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APPENDIX 1
III. Consumer
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digestion test. A Health and Lifestyle section includes healthy eating tips, a seniors health section with information on exercise and osteoarthritis as well as information on heart health and calcium. The site also features sections on children's health, women's health and travelers' health.

- Johnson & Johnson's McNeil Nutritionals Splenda brand Web site provides information on how the
 product can be used by those with diabetes, information for health care professionals on the benefits
 of Splenda for diabetic patients, and lifestyle articles featuring a recipe club, information on weight
 loss and healthy eating, as well as sections on seniors' health, children's health, women's health and
 travelers' health.
- Johnson & Johnson's McNeil Nutritionals Viactiv brand Web site features sections including Women's Health Going Strong, with information on how diet and exercise can help improve and maintain bone health; Great Expectations, with information on how calcium affects healthy pregnancy and nursing; Osteoporosis, with information on how calcium can in prevention; Share the Health, which allows users to sign up for nutrition tips; and Nourish and Flourish, with information on calcium as well as vitamins and minerals.
- "Healthy Beginnings Heart Healthy" is featured on the Kellogg Company Web site, with sections
 on Fiber Concerns, providing information on how to get fiber and the health benefits, and Shape
 Management, with information on approaches to manage weight.
- The Web site for the Kellogg Company's Worthington Foods subsidiary, makers of the Morning Star brand, provides information on the importance of energy balance, good fats, exercise and rest as well as how to get kids to eat right.
- The Kellogg Company's Special K brand Web site features information "Tips from Kay," information on health and fitness.
- A Nutrition section on Mars Incorporated's Uncle Ben's Web site provides information on the Food Guide Pyramid, the importance of a balanced diet, how to read the Nutrition Facts Panel, portion control and the importance of whole grains. The site also includes information on the role of carbohydrates in a balanced diet and keeping cholesterol low as well as trans fat facts.
- Mars Incorporated's 3 Musketeers Web site contains a "Treat Yourself" section that offers five remedies to help calm the body, focus the mind, boost the immune system and release tension. The site also emphasizes the importance of exercise.
- The McCormick & Company Inc. Web site features "A Taste for Health" section, with information on how to trim the fat, curb carbohydrates and cut back on salt. Eating and living in balance the importance of portion control, vegetables and fiber is emphasized, and information is provided on how to follow the Food Guide Pyramid and the importance of exercise and health as well as a balanced diet. The site also features articles offering advice from a dietitian and tips on healthy living.
- Musco Family Olive Co. focuses on olives as a smart snack alternative, including information on calories, fat and cholesterol.
- Nestle USA Inc.'s Buitoni Web site provides information on the Mediterranean Diet and touts the benefits of some "good" carbohydrates.
- Nestle USA Inc.'s Stouffer's Web site allows users to search products based on nutrition criteria low calorie, low carbohydrates, low cholesterol, low salt, low fat, high calcium, high fiber, high iron, high protein, high vitamin A, high vitamin C. Articles on nutrition and quality also are included.
- A "What's Lean?" section on Nestle USA Inc.'s Hot Pockets Web site allows users to ask questions about food and nutrition as well as obtain healthy nutrition tips and ideas. A "Tales from the Scales" section features personal weight-loss stories and the role played by Hot Pockets.

APPENDIX 1 III. Consumer Information continued

- Lean Cuisine, made by Nestle USA Inc., allows site visitors to browse products by nutrition criteria, send food and nutrition questions in the "Ask the Nutritionist" section and build their own meal planner. The site also offers a BMI calculator and a personal nutrition assessment tool.
- A Nutrition and Wellness section offering fitness tips, nutrition tips, information on where to exercise and a nutrition guide can be found on Nestle USA Inc.'s PowerBar Web site. The site also features "The Skinny on Trans Fat," providing information on trans fatty acids and what they mean for health.
- Nestle USA Inc.'s Juicy Juice brand Web site offers a "Very Best Toddler" section, providing information on how to introduce new foods into toddlers' diets, information on nutrition and children, an "Ask an Expert" section allowing parents to ask doctors about children's nutrition, and tips and ideas to encourage healthy physical, emotional and social development. The site also offers free subscriptions to a newsletter and magazine.
- A "Parents' Kitchen Health and Nutrition" section found on Nestle USA Inc.'s Nesquik Web site provides information on calcium and bone building, nutrition articles, tips from a registered dietitian, nutrition and health tools such as a tool to calculate the BMI of children, and a Food Guide Pyramid designed for children ages 2 to 6. The site also provides links to other nutrition sites, including the USDA and the 3 A Day Dairy campaign.
- A "Health and Wellness Start Strong" section on Nestle USA's Carnation Instant Breakfast Web site offers a library with tips and information on how to stay healthy and fit, including links to health and wellness articles, information on the importance of vitamins and minerals, a BMI calculator and a Breakfast Carb Calculator. The site also provides healthy meal planning information.
- Nestle USA Inc. developed a Web site designed specifically for people living with diabetes. The site, everydayeating.com, features an "Ask the Nutritionist" section, tips for healthy living, information on living with diabetes, wellness articles, exercise and training advice, healthy meal planning options and recipes, and tools such as a BMI calculator. A newsletter features the latest trends and tips on diabetic nutrition.
- Nestle USA Inc.'s meals.com Web site includes a "Good for You" section with recipes, products and articles on healthy living. The site also features an "Ask the Nutritionist" section.
- Nestle USA Inc.'s verybestbaby.com Web site offers a pregnancy nutrition tracker, pregnancy nutrition and fitness articles and baby health resources as well as an "Ask the Nutritionist" section.
- Nestle USA Inc.'s verybestkids.com Web site features a "Healthy Steps" section with tips and tools for raising healthy kids. The site includes activities, nutrition articles, a Q&A section and educational materials as well as information on how to keep kids active and how to please picky eaters. An additional section explains how to create a family fitness chart that encourages participation in fun, active pursuits.
- Nestle USA Inc.'s verybestbaking.com Web site offers a "Sensibly Delicious" section with recipes,
 products and articles connected with nutrition, health and wellness. Information on healthier-for-you
 products as well as how to prepare lower fat, lower sugar and/or lower calorie foods also are included
 on the site.
- Ocean Spray Cranberries Inc. offers a nutrition section on its Web site with information on the
 health benefits of cranberries and grapefruit, fitness tips, and tips for parents on how to introduce
 children to new foods and beverages.
- PepsiCo launched the Smart SpotTM, the first-of-its-kind designation that makes it easier for
 consumers to identify PepsiCo products that contribute to a healthier lifestyle. Products meet
 nutrition criteria based on authoritative statements from the Food and Drug Administration and the
 National Academies of Science. Those criteria define limits for fat including saturated fats and
 transfats cholesterol, added sugar and sodium. They are used to identify products that are
 naturally nutritious and contribute fiber, vitamins and other important nutrients.

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- A Web site produced by PepsiCo Inc.'s Gatorade brand and the University of North Carolina provides kids with information on different sports to play and allows them to create their own sports trading cards of them getting active. The site has a food fun section that encourages kids to try new vegetables, provides kid-friendly recipes and gives kids the opportunity to win a week at a sports camp. A parents section of the site helps them inspire their kids to adopt an active and healthy lifestyle. The site also includes information on childhood obesity, energy balance and BMI as well as tips on eating healthy and the importance of physical activity.
- PepsiCo Inc.'s Pepsi brand Web site includes a "Get Active/Stay Active" section with facts on health and fitness, suggested fun and physical activities, a healthy living quiz and tips on how to stop being a couch potato.
- PepsiCo Inc.'s Quaker brand Web site includes a "Weight Management" section emphasizing the importance of breakfast, exercise and fiber to an individual's health and weight, a "Nutrition for Women" section on the importance of calcium and bone health, a "Quaker Strive for 5" section with steps to incorporate whole grains and information on portion sizes; and general information on diabetes and low-sugar recipes.
- PepsiCo Inc.'s Frito-Lay brand Web site, healthispower.net, communicates the importance of a healthy lifestyle.
- On its Cheetos brand Web site, PepsiCo Inc.'s Frito-Lay subsidiary offers information on the importance of energy balance and making sure children are active part of its Smart Spot initiative.
- PepsiCo Beverages & Foods' Gatorade brand Web site provides parents with nutrition tips on hydration and keeping kids healthy and happy.
- A "Health and Wellness" section with information on heart health and an essential nutrients profiler can be found on the brand Web site for Tropicana, made by PepsiCo Inc.
- Sara Lee Corporation's IronKids Bread Web site promotes healthy, active lifestyles for children.
- On its Web site, Sun-Maid Growers of California includes a section on "Meeting Today's Nutritional Needs," with information on the Food Guide Pyramid and how raisins and dates fit into a balanced diet.
- Unilever's I Can't Believe It's Not Butter Web site offers information on what trans fats are, how to find hidden trans fats in your food and tips on how to avoid trans fats. The site also offers guidance on how to read the Nutrition Facts Panel on products.
- Unilever's Lipton Tea Web site includes a section on "Tea & Health," providing information on tea
 and antioxidants and tea and weight loss as well as research on tea and cancer and tea and heart
 health.
- The Web site for the Ragu brand, made by Unilever, features a section called "Yes!" with product nutrition information and an eating healthy food quiz. Another section, "Eating Fun, Eating Well," includes information on the importance of a balanced diet.
- Unilever's Bertoli brand Web site features an "Eat Well, Live Well" section with information on the health benefits of the Mediterranean Diet and the health benefits of olive oil and monounsaturated fats.
- Wish-Bone, made by Unilever, offers an "Eating Light" section on the brand's Web site, with information on how to cut calories and retain taste using Wish-Bone products. The site also explains the terms "fat free" and "lite."

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APPENDIX 1 III. Consumer Information continued

- Tips on the importance of exercise and how to incorporate it into your life are part of Unilever's Slim Fast Web site. A "Slim Fasts Diets" section allows users to personalize a diet and offers tools to track progress, such as a day planner, weight chart and BMI calculator. The site also includes fact sheets on trans fat and fiber. Another section, "Getting Started," provides information on how to control caloric intake, serving sizes, snacking and cravings as well as information on food labels.
- Welch Foods Inc.'s Web site includes a "Healthy Living" section with information on the benefits of 100 percent juice, an "Ask the Experts" section and a heart healthy quiz powered by the American Heart Association. The site also features articles on the role of 100 percent juice in a healthy diet.

OTHER COMPANY INITIATIVES:

- Campbell Soup Company's Pepperidge Farm Natural Whole Grain Bread products bear the American
 Heart Association's heart-check mark, indicating to consumers that the product is low in saturated fat
 and cholesterol and can be part of a heart-healthy diet.
- Packaging for ConAgra's Healthy Choice products features the American Heart Association's "Eating
 for a Healthier Heart" check mark, providing consumers with a quick and easy way to spot foods
 low in saturated fat and cholesterol.
- ConAgra Foods' Hunt's brand joined together with the American Dietetic Association to educate consumers about tomatoes, lycopene and a wide variety of other nutrition topics.

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APPENDIX 1

continued

IV. Advertising and Marketing

COMPANY INITIATIVES

Companies have developed the following product advertising or marketing programs designed to communicate healthy lifestyle messages:

Birds Eye Foods

- Voila! Low-carb advertising and promotion
- Bernsteins low-carb promotion
- FSI, PR, and Web site modifications
- · Latest effort centers around "wellness" with the launch of "BE WELL" line of complete big meals
- Veggie Help Line 1-888-4veggies
- Breast Cancer Alliance Initiative

Bimbo Bakeries USA

- Harvest Selects of Mrs. Baird's
- Oroweat Bread

Bush Brothers and Company

- Added health information to Web site
- Developed health information for health professionals

Campbell Soup Company

- Pepperidge Farm subsidiary executed public relations programs on the following health-related business initiatives:
 - Elimination of trans fat in Goldfish®
 - CarbStyle® bread and rolls (reduced net carbs)
 - Whole grain breads (including press releases and a satellite media tour with Bobby Flay featuring whole grain products)
 - Whole wheat English muffins
 - Whole wheat bagels
- Pepperidge Farm promotes whole grains through its Web site: www.pfwholegrains.com.
- Special emphasis placed on advertising for Goldfish® brand crackers:
 - All Goldfish® cracker advertising refers to the fact that the product is made with real cheese.
 - Advertising (both print and television) has called attention to the fact that Goldfish® crackers have zero grams of trans fat.
 - Print advertising has communicated that the Goldfish® Calcium product is a good source of calcium.
 - The brand shows consumers in an active manner in communication.

The Coca-Cola Company

- Dasani Treat Yourself Well Wellness oriented messaging
- Minute Made Orange Juice with health message from Mayo.com on cartons
- Coca-Cola Live It Program for middle schools
- Coca-Cola soccer program
- Triple Program with Boys and Girls Clubs
- Wellness inserts in Good Housekeeping and Oprah magazines

APPENDIX 1

IV. Advertising

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continued

Dean Foods Company

- International delight low-carb lifestyle: TV and print
- Advertising directed at healthy lifestyle and organic foods
- Less saturated fat with Silk Milk, high in protein
- No cholesterol, less sugar with Silk Milk

Diamond of California

 Sponsorship of and product sampling of marathons and other running events. These events are supported with healthy lifestyle ads in running publications.

Dole Food Company

- Health and wellness series of brochures
- Fresh Choices magazines
- Dole Nutritional Newsletter (at dole.com)

Flowers Foods

• Use of registered dietitian to provide consumer reading information on package

General Mills

- Many General Mills ads show children and families involved in fitness/sports, such as biking, running, and playing ball and other healthy messages (cholesterol management, heart-health, whole grain hints, calcium benefits). For example:
 - Green Giant's "For the Love of Vegetables" advertising promotes the great taste of Green Giant vegetables.
 - Progresso soup advertising emphasizes the soup's 100 calories a serving. Progresso soups offer many ways to satiety while controlling calorie intake.
 - Heart-healthy messages in Cheerios advertising feature the benefit of the cereals' soluble oat fiber in helping to reduce cholesterol.
- General Mills' "Choose Breakfast" initiative dedicates a portion of the company's purchased ad time to non-branded messaging about the importance of breakfast. Non-branded 10-second segments promote the importance of eating breakfast instead of the company's brands or cereals. This initiative effectively commits a portion of the company's advertising spending to non-branded health messaging.
- The development and use of "Goodness Corner," an icon-based system that communicates nutrition information on package based on and reinforcing FDA criteria and guidelines
- Many General Mills products also carry nutrition and healthy lifestyle information on their
 packaging, in addition to nutrition facts, ingredients list, allergen labeling and specific endorsements,
 such as from the American Heart Association. Examples include:
 - Front-cover banner to flag specific information, such as "All General Mills Cereals Are Made with WHOLE GRAIN!"
 - Wheaties and the Breakfast of Champions' link with sports and fitness for 70 years featuring
 athletes, sports teams, fitness tips and information on the role nutrition plays in physical fitness
 - The new dietary guidelines and MyPyramid.gov featured on more than 100 million boxes of cereal when the new food guide pyramid was released, and information provided about the importance and benefits of whole grain
 - "Frozen as Nutritious as Fresh" starburst on Green Giant frozen vegetables conveying that information from a University of Illinois study
- Betty Crocker cookbooks focused on specific concerns, such as "Healthy Heart," "Diabetes," "Living with Cancer" and "Winning at Weight Loss."

APPENDIX 1 IV. Advertising and Marketing continued

Gerber Products

• Currently running a campaign called "In the News," which promotes the importance of starting healthy eating early in life and stresses fruit and vegetable consumption. Prior to this, the "Watching Sara Grow" campaign ran with a similar goal.

The Hershey Company

- SmartZone "Now you're snacking smart" ad campaign, Web site
- Snack Barz "It's Hershey's and it's wholesome" ad campaign, Web site
- Hershey's Sugar Free "Happiness is having chocolate back in your life" ad campaign

HJ Heinz Company

- Smart Ones Healthy Eating meal planner on Web site
- Smart Ones advertising encouraging healthy eating
- One Carb (Reduced Sugar) Ketchup
- Linda McCartney In store
- · Lycopene-themed advertising in trade and business publications

Hormel Foods Corporation

- "Win a Health Club Membership"
- Lifestyle Challenge"
- "Soccer Clinic" for kids
- Advertisements featuring a woman boxing and lifting weights with a caption that says, "Never sweat in the kitchen"

Kellogg Company

- Kellogg's Frosted Flakes Earn Your StripesTM Program This campaign is a multi-focused initiative to encourage kids to get physically fit, eat right and work hard. Superstar athletes team with Tony the Tiger[®] in a "Tips from the Pros" program centering on sports activities (i.e., soccer, basketball and skateboarding). A corresponding part of the campaign features children using pedometers to step up their physical activity.
- Get in StepTM A 12-week family program (for ages 5 and over) advertised on-pack and by Internet combining Kellogg's cereal with walking an extra 2,000 steps daily using a step counter
- Zumbando con Kellogg's Kellogg partnered with Zumba, a form of dance exercise using Latin
 rhythms, to promote the importance of the combination of physical exercise and a balanced diet in
 maintaining a healthy lifestyle using DVDs advertised on pack, Internet and television. Local events
 were advertised via radio and door hangers in more than 30 Hispanic communities in more than
 seven cities. Kellogg is particularly proud of this program, which was recently credited by a mother in
 Texas with helping her child lose 20 pounds.
- Healthy BeginningsTM This multi-dimensional program was introduced in response to consumer awareness and demand, designed to educate consumers about the health benefits of Kellogg's[®] cereals. The program stresses how Kellogg's portfolio of cereals addresses key consumer health needs and features consumer initiatives and health care professional outreach, such as health tips, recipes, and links to health-focused Web sites. Kellogg works closely with its store customers: Publix, Wegman's, ShopRite, Wal-Mart and Kroger.
- As heart disease is the No. 1 killer of women, Kellogg launched Smart Start Healthy Heart, the only cereal with ingredients (beta glucan soluble fiber, low sodium and good source of potassium) to help lower risk of heart disease and hypertension. Benefits are communicated on pack, print ads and TV.
- Breakfast Nook on family-oriented RTEC emphasizing the importance of breakfast, RTEC for breakfast, etc.

APPENDIX 1 IV. Advertising and Marketing continued

- All cereal packages now contain nutrition icons, which make it easier for the consumer to identify the dietary benefits of the product.
- Introducing two new cereals (Tiger Power and Mighty Bites) specifically designed to meet the needs
 of toddlers
- Sponsoring the 2005 Little League World Series and a program called "Girls on the Run," an afterschool program for girls ages 8-11, focusing on rung games and workouts to promote physical activity, culminating in a 5K race
- In response to concerns about obesity, we look for opportunities to emphasize the role of Kellogg's food products in the context of a healthy lifestyle in its ads. For example, both print ads and online Web sites often show children in settings that reflect an active lifestyle, such as biking, rollerblading or playing Frisbee. Many Kellogg ads also show its well-loved characters engaged in sports and other physical activities. These ads are often coupled with programs sponsored by Kellogg and a partner, such as a soccer society, to encourage physical fitness in school-aged children. Kellogg has run other campaigns and programs focusing on fitness such as "Fit to Be a Healthy Me," "The World is Your Gym" and "My Time."
- Other campaigns planned are geared to help families and children increase their fitness level and to
 continue our messaging on the importance of a balanced diet and physical activity to both parents
 and children in meaningful terms. Kellogg also continues to look for different ways to use its
 marketing to achieve these goals even more effectively.
- Participating with other organizations, health agencies and governments to get the word out on the
 importance of a balanced diet and physical activity. In addition to the fitness campaigns identified
 above, Kellogg continues to sponsor events that tie its products to good health, such as the National
 Race for the Cure and "Speaking of Women's Health" events.
- Kellogg Canada has sponsored Kellogg's Kidz Count (Kidz Count Pedometers); Special K Pilates Promotion (campaign with Cindy Crawford! Pilates DVD promotion); Mission Nutrition (education initiative with the Dietitians of Canada for learning activities and resources for promoting healthy eating, active living and positive self-esteem); Canadian Soccer Promotion 2002 (partnership with Canadian Soccer Association to encourage participation in sports and physical activity); and Children's Health Active Living Program (initiative to provide kids with tools for active living and healthy eating, as well as improved media literacy). More than 2 million free step counters were offered in Kellogg Canadian cereal boxes to encourage consumers to increase their physical activity levels. At the same time, the company sponsored research with the Canadian Institutes of Health Research on the use of pedometers and motivation for physical activity. Kellogg has run similar promotions in the U.S., for instance, offering pedometers and step counters in and on packages.

Kraft Foods

- In early 2005, Kraft introduced Sensible Solution, a labeling program to help consumers easily identify better-for-you choices from among its portfolio. With one quick glance at the Sensible Solution flag, consumers can easily understand many of a product's nutrition benefits and make better choices. The Sensible Solution flag can be found on Kraft products that meet specific nutrition criteria, on a per serving basis, for each category of our products. To qualify for the Sensible Solution flag, products must either A) Provide beneficial nutrients such as protein, calcium, fiber or whole grain at nutritionally meaningful levels, or delivering a functional benefit such as heart health or hydration, while staying within specific limits on calories, fat (including saturated and trans fat), sodium and sugar; or B) Meet specifications for "reduced," "low" or "free" in calories, fat, saturated fat, sugar or sodium.
- Kraft has made significant changes in the way it markets its products, particularly to children. While Kraft has a long-standing policy of not advertising in media with a primary audience under age 6, it will shift the mix of products advertised in media primarily viewed by children ages 6-11 to only those that meet the Sensible Solution criteria.

APPENDIX 1 IV. Advertising and Marketing continued

- Recently announced that by the end of 2006, only products that meet its Sensible Solution nutrition criteria will appear on Kraft Web sites that primarily reach children ages 6-11. Extended its marketing policy to include the following:
- Established Healthy Living Principles for its marketing efforts. This includes ensuring marketing materials will use and show the appropriate serving size, and avoid suggestions of over-consumption; suggestions of overly sedentary behavior will be avoided and, where appropriate, encouragement of an active lifestyle will be incorporated into marketing programs and television advertising will not be directed primarily to children of pre-school age (usually under age 6).
- Kraft has eliminated advertising and promotion in schools around the world. This includes print and
 broadcast advertising, contests, posters, book covers, product sampling and any other forms of
 commercial messaging in schools. In addition, Kraft established nutrition guidelines for products
 appropriate for sale in school vending machines.
- Kraft established an alliance to use the South Beach Diet trademark to develop a new line of South Beach diet products and promote some Kraft products that can be used when following the South Beach diet program.

Lance, Inc.

Published school lunch manual to include bread equivalent and nutritional information

Mariani Packaging Company

• On the Go Family Sweepstakes

McCain Foods

Shelf talkers stating "0 grams trans fat"

McCormick & Company, Inc.

- Trade ad for healthy lifestyles
- Program named "A Taste of Health" includes Web site, point of sale materials, consumer recipe brochure and dietitian communication

Nestlé USA

- Libby's Juicy Juice 100 percent fruit juice
- Stouffer's Lean Cuisine
- Powerbar
- Nestlé Carnation Instant Breakfast
- Spa Cuisine
- Nestlé Carnation Instant Breakfast
- Lean Pockets brand sandwiches
- VeryBestKids.com
- Nestlé Carnation evaporated milks

Ocean Spray Cranberries, Inc.

• The message is implicit that "light" products can be a part of a healthy lifestyle.

APPENDIX 1 IV. Advertising and Marketing continued

PepsiCo

- Stopped advertising its cola to children under age 12 and its Cheetos brand chips to children under age 8
- Gatorade Hydration
- Quaker Oatmeal Lowering cholesterol
- Frito-Lay Trans fat removal
- Smart Spot Identifies PepsiCo products that contribute to healthier lifestyles. Products that contain Smart Spot symbol meet established nutrition criteria based on authoritative statements from the FDA and NAS.

Rich Products Corporation

· RichLife Breads and Rolls

Ross/Abbott

- Glucerna Diabetes wellness and healthy weight management education
- Zoneperfect Sponsorship of cycling events and teams

Sara Lee Corporation

- Heart Healthy and Delightful Bread advertising
- Breadrules.com Web site on "bread nutrition"
- Packaging highlights fortification with "nutrients of concern" and fiber per 2005 dietary guidelines

Unilever

- Bus-stop advertisement featuring smiling woman holding a salad with a Unilever brand salad dressing with quote, "I like to go to bars. Salad bars."
- Advertisement for Lipton Green Tea stating "Antioxidants in. Free radicals out. Tea can do that."
- "Organic" labeled Ragú brand garden vegetable spaghetti sauce advertisement with vegetables appearing to grow out of the jar of sauce
- Hellman's Canola Real Mayonnaise "Low in saturated fat. Rich in Omega 3. Same great taste."
- Advertisement for "Promise" heart healthy label stating, "The heart healthy shopper: How you can make smart choices at the grocery store." Stocking a heart healthy kitchen (grains, canned and frozen foods, oils, spices, and condiments, meat fish, and poultry, dairy, and fresh produce).
- Instructions on how to determine heart healthy foods and how to read labels or nutrition facts panels, navigating the supermarket, understanding food labels
- www.promisehealthyheart.com
- Discussion of fats and heart health Trans fats, saturated fats, mono- and poly-saturated fatty acids
- Quiz on a healthy grocery list
- Recommendations to go to the revised dietary guidelines, the American Heart Association, American Dietetic Association, the Better Health Foundation and the National Fiber Council
- www.homebasics.com Recipes and how to eat light with Unilever products
- Slim Fast advertisement: "Hello yummy goodbye tummy!"; for summer lose up to 25 lbs. in 12 weeks."

Welch's

- PSA with Produce for Better Health
- PSAs with Women's Heart Foundation
- PSA focusing on heart health
- Grape juice ads recommending moderate juice intake for children
- · Ads mentioning importance of five-a-day and fruits and vegetables

GMA REPORT

APPENDIX 1 IV. Advertising and Marketing continued

Companies have initiated the following consumer- or retail-level promotional activities relating to nutrition, weight management or physical activity:

Birds Eye Foods

- Significant programming planned against childhood obesity
- Several tie-ins with American Dietetic Association
- Parenting & Beyond Show contains better eating
- · Strong endorsement of prominent author and nutrition expert Sandra Woodruff

Bimbo Bakeries USA

- Low-carb products
- Weight Watchers products
- Sugar free

Campbell Soup Company

- Goldfish® PhysEdible product, marketed to schools segment; active sport shapes promote healthy lifestyles:
 - Made with whole grains
 - Iron-fortified
 - Zero grams trans fat
 - Less than 30 percent calories from fat
 - Less than 10 percent calories from saturated fat
 - "Great Taste for a Healthy Lifestyle" in-store promotion (whole wheat products)
 - "Go with the Grain" in-store promotion (whole grain products)

The Coca-Cola Company

- Dasani Wellness messaging for various customers and annual wellness-oriented campaigns
- McDonald stepometer program tied in with Coca-Cola program
- Wellness inserts in Good Housekeeping and Oprah magazines

Dean Foods Company

- Self Magazine: "New Year, New You" promotion
- For International Delight Low-Carb Lifestyle
- 3 A Day FSI

General Mills

- Health & Wellness site and information on GeneralMills.com
- BrandNewYou.com, a Web-based weight management program
- "Guide to Better Eating Better Living" on the Green Giant Web site, featuring "Giant Steps for Better Heart Health"
- Bilingual nutrition brochures made available for distribution at WIC clinics

Gerber Products

• Start Healthy Stay Healthy platform – Continuing to build on program with the goal to teach moms and dads how to help their babies develop good eating habits

The Hershey Company

- SmartZone sponsored Walgreen's Road to Wellness and IHRSA's Get Active America program.
- SmartZone Smart Snacking contest

- Hershey's "Resolution Solutions" promotion (with Self magazine)
- Hershey's Track & Field Youth Program (ongoing for the last 28 years and revitalized this year) (www.hersheytrackandfield.com)

HJ Heinz Company

- Smart Ones
- Bagel Bites
- Heinz One Carb (Reduced Sugar) Ketchup

APPENDIX 1 IV. Advertising and Marketing continued

Hormel Foods Corporation

- "Win a Health Club Membership"
- Lifestyle Challenge"
- "Soccer Clinic" for kids
- The Jennie-O Turkey StoreTM Lifestyle Challenge A nationwide contest in which one out of 12 contestants who shows the most progress in taking charge of his or her eating and exercise habits is declared the winner of a \$25,000 prize. Web site features advice from Penn State Director of Sports Nutrition Kristine Clark on losing weight and maintaining a healthy lifestyle.
- Other features include The Fitness and Nutritional Kit, which has the following sections:
 - Introduction by Kristine S. Clark, Ph.D., R.D., FACSM, along with her bio
 - The Basics of Weight Loss: Top Five Tips for Starting your Weight Loss Program
 - Changing your Diet: How to Get Started
 - How to Keep a Food Diary
 - Making Visible Changes in Your Eating Patterns to Save Calories
 - Meal Ideas: Healthy, Filling, Balanced AND Low-Calorie
 - Grocery Shopping 101: Make a List and Stick to It!
 - Snacking: It's OK to Eat, but WHAT You Choose and HOW MUCH You Eat Matters!
 - Fitting in Fitness: Every 15 Minutes Counts
 - Balance: How to Make Everything Work Together
 - Eating Out: Restaurants, While Traveling, or at Others' Homes
 - Recipes

Kellogg Company

 All programs listed in the previous section under advertising and marketing programs have retail-level promotional elements as part of the overall program.

Kraft Foods

- Kraftfoods.com "Healthy Living" site
- "Salad Days"
- "Healthy Living Fan Favorites" for Super Bowl
- "Counting Carbs" shippers and recipe books
- 3-A-Day Diary for Strong Bones
- Kraft Diabetic Choices retail promos and consumer education leaflets
- Kraft Macaroni & Cheese Double the Calcium Promotion
- Minute Brown Rice No Cholesterol Promotion
- Oscar Mayer Cold Cuts and Dinner Strips Health Club Sampling
- BOCA Registered Dieticians Booklet Coupon Distribution
- GFI Endocrinologist/Diabetes Educatos Sampling
- GFI Health Club Sampling
- GFI Viactiv Tie-in

- GMA REPORT
- U.S. Food and Beverage Industry Initiatives on Diet, Physical Activity and Health

APPENDIX 1 IV. Advertising and Marketing continued

- Maxwell House Decaf Health Monitor Doctor's Office Sampling
- Kraft Sandwich Company "4 under 200 calories" (recipes/FSI/point-of-sale)
- Salad-A-Day Promotion
- Meat Enhancements/A1 Lean Meat Promotion
- Cheese Division "Counting Carbs? Count of Kraft" (FSI/point-of-sale)
- Dairy Weight Management "Dairy For Your Diet" (Recipes/point-of-sale)
- South Beach Diet Product Line (FSIs/direct mail/point-of-sale/cross ruff coupons)
- Mejier Diabetic event

McCormick & Company, Inc.

- Web site program
- · Consumer brochure and retailer shelf talkers calling attention to healthy options

Merisant Company

• Tie-in with American Dietetic Association

Nestlé USA

- Nestlé USA Diabetes Task Force Created to address the needs of consumers living with diabetes.
 The task force has a number of key initiatives under way, including providing education about
 diabetes to team members, making it easier for consumers to obtain information about diabeticfriendly Nestlé products, and keeping in contact with diabetic consumers through direct mail,
 product sampling and more.
- Nestlé S.A. Web site Nutrition.Nestle.com is a great resource for information about the basics of food and nutrition as well as Nestlé's research and development efforts. There is also a quiz to test your knowledge on nutrition.
- Numerous Nestlé brand Web sites (such as meals.com, powerbar.com, hotpockets.com)
- The Nestlé USA Diet, Nutrition & Physical Activity Task Force Ensures cross-division/company collaborative support of important health issues in America, such as obesity. Task force focuses its efforts in several areas: employee education, in-school education, leveraging relationships with industry groups and other organizations, and through leader outreach.
- The *kidz eye view* magazine Provides moms with value-added resources and insights to help nurture the very best kids. The quarterly magazine, supported by a variety of Nestlé brands, gives moms a unique perspective into the world as seen through their children's eyes.
- The Nestlé Nutrition Institution This educational organization, part of Nestlé Brands Company Nutrition Division, is devoted to bridging the latest scientific discoveries with their application to achieving optimal nutrition.
- CarnationInstantBreakfast.com Includes educational components such as an "Ask the Nutritionist" section, tips for healthy living, exercise and training advice, and meal planning
- Stouffer's Lean Cuisine offers a complete weight loss and maintenance plan for health professionals and consumers on LeanCuisine.com.
- Libby's Juicy Juice partnered with pediatrician Christine Woods in developing a nutrition guide created especially for parents concerned about their children's nutrition. *Building Blocks of Children's Nutrition: A Guide for Parents* provides expert advice on how to develop healthy eating habits for kids and is available, along with other nutritional information, on JuicyJuice.com.
- The Nesquik Healthy Kids newsletter Publication packed with informative articles, tips, and recipes to help parents make better nutrition choices for their kids
- In support of National Diabetes Awareness Month, Nestle Carnation Instant Breakfast launched a radio tour with expert spokesperson, author and registered dietitian JoAnn Hatner. The tour focuses on ways consumers can eat right, lose weight and win the battle against diabetes.

APPENDIX 1 IV. Advertising and Marketing continued

- Stouffer's Lean Cuisine is a sponsor of Speaking of Women's Health, a nationwide conference
 to educate women on making informed decisions about their health, wellbeing, and safety. The
 Stouffer's Lean Cuisine booth offers women the opportunity to receive nutritional assessments from
 registered dietitians, a quick and easy test to measure metabolism, and assistance with meal planning.
- PowerBar Team Elite is a grassroots athlete sponsorship program, supporting athletes of all abilities.
 In addition, PowerBar supports all of America's athletes as the Official Nutritional Energy Bar Supplier to the 2004 U.S. Olympic Team. (The PowerBar Beverage System combines the latest sports nutrition research with the practical knowledge of Carmichael Training Systems' coaching staff and the PowerBar Team Elite sponsored athletes. Products include PowerBar Endurance, which provides hydration and muscle fuel for intense athletic activity, and PowerBar Recovery for post-workout restoration.)
- In Columbus, Ohio, the Stouffer's Lean Cuisine Wellness Fair appeared at various venues, including The Ohio State University, shopping malls, festivals, and more. Consumers receive nutritional assessments from registered dietitians, fitness tips, a quick and easy test to measure metabolism, assistance with meal planning and hand massages.
- Libby's Juicy Juice produces "A Guide for Children's Health & Wellness," which is available at all
 WIC departments across the U.S. In addition, Juicy Juice has partnered with Scholastic to bring
 kindergarten and first-grade teachers a comprehensive in-school program on nutrition and physical
 activity.
- Nestlé USA has developed an in-school curriculum on nutrition and physical activity for pre-K and kindergarten teachers.

Ocean Spray Cranberries, Inc.

 Programs with National Kidney Foundation, American Dietetic Association; ADA tie-ins with retail pharmacies, Wal-Mart, Stop & Shop, etc.

PepsiCo

- Gatorade Hoop It Up
- Get Active, Stay Active
- Lipton Hiking Promotion
- Quaker Oatmeal Cholesterol Reduction
- Partnership with Discovery Channel that includes the National Body Challenge, Discovery Health
 quarterly specials on "whole family health," Fit TVs "Fit Family Week" and Discovery Health "Daily
 Rounds"

Ross/Abbott

- Affinity Web sites offering consumer education: "Ensure Health Connection," "Diabetes Health Connection"
- Speaking of Women's Health (Wal-Mart)
- Product sampling at numerous consumer health fairs and fitness events

Sara Lee Corporation

- Iron Kids Triathlon
- Nutritional public relations
- Partnership with March of Dimes to educate consumers on benefits of fortified whole grain breads
- Nutritional brochures

Tasty Baking Company

• Diabetes Walk, Diabetes FSI

GMA REPORT

U.S. Food and Beverage Industry Initiatives on Diet, Physical Activity and Health

APPENDIX 1 IV. Advertising and Marketing continued

Welch's

- PSA with Produce for Better Health
- PSAs with Women's Heart Foundation
- Grape juice ads recommending moderate juice intake for children
- Ads mentioning importance of 5-a-day and fruits and vegetables
- Brochures
- Wal-Mart Healthy Heart Day
- Communicating heart-health messages throughout the year, especially during February (heart-health month for many retailers)

Companies have launched the following marketing or promotional partnerships with third-party educational or health-related organizations:

Barilla America Inc.

 American Dietetic Association language on carbohydrates on package: "Complex carbohydrates are the preferred fuel for the brain and body"

Bimbo Bakeries USA

- American Heart Association
- Juvenile Diabetes Research Foundation

Birds Eye Foods

- Tying in with American Dietetic Association on Voila! low-carb campaign
- 2004 and 2005 A dietetic association mailing/PR effort
- More all-family focus vs. kid focus

Campbell Soup Company

• Contract with American Heart Association to carry the AHA Heart Check symbol on natural whole grain breads, 100% whole wheat English muffins and 100% whole wheat bagels

The Coca-Cola Company

- Patron sponsor of ADA Annual Meeting symposium
- Partnership with Harvard on many clinical studies and co-sponsored symposium
- Support Juvenile Diabetes Research Foundation
- Partnership with the President's Council on Physical Fitness and Sports/School Nutrition Association to launch Live It! Program

Dean Foods Company

ADA participant 2000-05

Dole Food Company

- National Cancer Institute
- Dr. Dean Ornish

General Mills

- · American Diabetes Association Foundation National Sponsor of America's Walk for Diabetes
- Black Entertainment Television Foundation Contributed \$2 million to support the "A Healthy BET" Fitness Challenge to promote healthy lifestyles for African-Americans, particularly women
- Congressional Black Caucus Cheerios Health Initiative Scholarships, which has awarded more than \$1.5 million to youth who plan to study health-focused subjects

APPENDIX 1 IV. Advertising and Marketing continued

- Champions for Healthy Kids A program that awards 50 grants of \$10,000 each to grassroots organizations each year for innovative efforts that teach and promote youth nutrition and fitness habits. The program is administered by the General Mills Foundation and the American Dietetic Association Foundation. About 65% of the recipients serve ethnic communities.
- President's Challenge Supports up to 50,000 youth toward earning the Presidential Active Lifestyle
 Award for establishing and maintaining a physically active lifestyle as prescribed by The President's
 Challenge model program
- Susan G. Komen Foundation Contributed more than \$14 million to breast cancer-related causes
 over the last seven years. The Save Lids to Save Lives campaign is a hallmark of brand initiatives.
 Yoplait is a member of the Susan G. Komen Foundation's Million Dollar Council and is the National
 Series Presenting Sponsor for the Race for the Cure.
- WomenHeart 8th Continent and Berry Burst Cheerios supporting and promoting women's heart health
- Including Champions for Healthy Kids, PALA and other initiatives, the General Mills Foundation has contributed \$6 million over the last three years to support youth nutrition and fitness efforts. These contributions have gone to programs that have served more than 100,000 children.

Gerber Products

- Long-term collaboration with the American Dietetic Association to promote the establishment of healthy eating habits early in life
- Developed and published the "Start Healthy Feeding Guidelines for Infants and Toddlers" in partnership with the ADA

The Hershey Company

- International Health, Racquet and Sportsclub Association's "Get Active America"
- SmartZone participated in American Academy of Family Physicians show
- Pinnacle Health Eat Smart, Play Smart program

HJ Heinz Company

- Tomato Products and Prostate Cancer Foundation to promote prostate cancer and lycopene in tomatoes awareness
- Linda McCartney and Make a Wish Foundation
- Heinz Ketchup Talking Labels and four separate charitable beneficiaries
- Ore-Ida Racing Promotion and Speedway Children's Charities

Hormel Foods Corporation

- "Mega Mall Walk for Fitness" Minneapolis
- Internet tie-in from the "Lifestyle Challenge" Web page to 24-hour fitness clubs
- Advertisements, coupons, recipes and games with the Clinica de Futbol Sweepstakes (Hormel Foods Soccer Clinic Sweepstakes) in English and Spanish featuring the LA Galaxy soccer team on the advertisements, games and coupons

Johnsonville Sausage, Inc.

- Boomer Esiason Fund Cystic Fibrosis
- Juvenile Diabetes Foundation

Kellogg Company

- Carry American Heart Association Heart Check on packaging
- Conducted "Families on the Move" at University of Colorado with Dr. Jim Hill

APPENDIX 1

IV. Advertising and Marketing continued

- Published research on benefits of RTEC evening snack with Dr. N. Dhurandhar of Wayne State University
- Kellogg nutritionists serve as chair of the International Life Sciences Institute-Food, Nutrition, and Safety Program Committee; chair of International Food Information Council Obesity Committee, advisory board member of Canadian Institutes of Health Research Institute for Nutrition, Metabolism and Diabetes; board member of International Life Sciences Institute; and chair of the IFIC board.

Kraft Foods

- 3-A-Day Dairy with Dairy Management Inc. (trade association)
- American Dietetic Association
- Curves health clubs
- South Beach Diet
- International Health, Racquet and Sportsclub Association
- Major League Soccer
- Lifetime Fitness Clubs
- ADM Health Nutrisoy
- Weight Watchers

Merisant Company

• Lead sponsor for American Dietetic Association walk

Nestlé USA

- Nestlé Signatures Sugar Free Turtles is a sponsor of the American Diabetes Association's American's Walk for Diabetes events across the country.
- PowerBar supports the Lance Armstrong Foundation's Tour of Hope bicycling event to raise awareness about the importance of cancer research. PowerBar also supports the Susan G. Komen Breast Cancer Foundation through participating in select Race for the Cure events.
- Stouffer's Lean Cuisine supports the fight against breast cancer by partnering with the Susan G. Komen Breast Cancer Foundation.
- For the 10th consecutive year, PowerBar was the Official Energy Bar and Energy Gel Sponsor at the 2003 ING New York City Marathon. Volunteers staffed the PowerBar Power Gel Energy Zone on Mile 18, where they distributed 35,000 packets of PowerBar Power Gel to participants.
- As the pioneer of the 2004 Olympic Games in Athens, Greece, PowerBar supplied U.S. Olympic Team members with products.
- In an effort to help prevent osteoporosis, Nestlé Carnation Evaporated Milk has launched the "Pour it in, Pass it on." Program. For each person that registers, Carnation donates 25 cents (up to \$10,000) to the National Osteoporosis Foundation.
- PowerBar Pria is the exclusive program sponsor in the nutrition, energy and snack bar category for
 the 2005 Breast Cancer 3-DAY Series, benefiting the Susan G. Komen Breast Cancer Foundation. In
 an effort to help further the cause of breast cancer awareness, Pria has introduced "Psst... Pass It On,"
 a national consumer educational campaign and fundraising effort designed to make it easy for
 individuals to make a difference in the fight against breast cancer.

PepsiCo

- Gatorade partnered with the University of North Carolina at Chapel Hill in 2003 to launch Get Kids in Action, a multiyear, \$4 million campaign focused on eliminating and preventing child obesity.
- Partner with the American Snack Food Association to develop wellness solutions for schools through Health is Power

- Provide elementary and middle school teachers with AOM tools, such as Balance First lesson plans to
 educate students about energy and nutrition balance
- Partnered with American Diabetes Association, American Heart Association

Ross/Abbott

 Numerous partnerships with American Diabetes Association (diabetes expos, fundraisers, Walk for Diabetes, Project Power)

APPENDIX 1 IV. Advertising and Marketing

continued

March of Dimes partnership to educate consumers on benefits of fortified whole grain breads

Sara Lee Corporation

Welch's

Partnered in activities with the American Dietetic Association and the American Heart Association

• Sponsored the Juvenile Diabetes Research Foundation walks in the Boston area

Companies have instituted the following internal policies regarding advertising to children, showing food in the appropriate context or other nutrition related issues:

Bimbo Bakeries USA

Always showing physical activity

Campbell Soup Company

• Adhere to CARU guidelines, show food in appropriate context and show active situations in advertising

The Coca-Cola Company

- No advertising to children under the age of 12, according to market policy
- Model school guidelines for business in the schools
- Marketing to Kids Policy Do not advertise or market CSDs on children's programming

General Mills

- Does not advertise on programs for which the audience is primarily younger children (under 6)
- Does not advertise its brands or products to children in schools
- Requires signatures annually by internal marketers and external agencies to confirm compliance with strict company guidelines for marketing and communications to children across all forms of media worldwide. For example:
 - Emphasizing the importance of balance, moderation and exercise in marketing to kids via advertising and all other communications
 - Emphasizing moderation. Depicting appropriate portion sizes and foods in appropriate context.
 Never depicting or encouraging over-consumption in any way
 - Emphasizing activity. Showing and reinforcing healthy, active situations and lifestyles.
 - Never undermining parents, family members, family structures, or respect for community authorities
 - Respecting and reinforcing diversity
 - Reinforcing healthy lifestyles
 - Prohibiting paid or unpaid product placement in properties directed primarily to children
 - Prohibiting use of paid agencies or organizations posing as independent of General Mills to influence the purchase decisions of children
 - All materials reviewed internally for accuracy and compliance
- Family-friendly placement; does not advertise on programming that is not family-friendly
- Adheres to and consistently meets or exceeds CARU guidelines
- Fully complies with the Children's Online Privacy Protection Act

GMA REPORT

U.S. Food and Beverage Industry Initiatives on Diet, Physical Activity and Health

APPENDIX 1 IV. Advertising and Marketing continued

Gerber Products

• Agree with the CARU principles, but do not advertise directly to children

The Hershey Company

Follow the GMA and CARU advertising standards for children

HJ Heinz Company

- Follows CARU guidelines, member of BBB, supports National Advertising Division
- Instituted worldwide company guidelines:
 - Recognizing that young children often have difficulty in understanding the difference between reality and imagination, care must be taken to communicate truthfully and in an accurate manner, and in language understood by young children
 - Products that are inappropriate for children should not be advertised or promoted to children.
 - When portraying eating occasions, the appropriate serving size should be utilized when showing what is being consumed or about to be consumed
 - Menu or snack selections should be shown in the context of a balanced and healthful variety of foods; over-consumption of individual foods must not be encouraged
 - Recipes using Heinz products should be healthful, with lower-calorie versions suggested where appropriate
 - Healthful active lifestyles as opposed to sedentary activity should be portrayed throughout product and brand communications
 - Communications should show diversity in size and shape of healthy consumers.
 - Advertisements representing mealtime experiences should depict the role of the product within a balanced diet
 - The amount of food product shown should be within reasonable levels for the situation depicted.
 - Co-promotions with alcoholic beverages should be limited to brands marketed solely to adults and to brands that do not contain the Heinz name
 - Communications media should not be directed solely to pre-school children
 - Heinz brand names and trademarks should not be licensed on products marketed solely to preschool children, with the exception of infant-feeding products or toddler foods
 - Any in-school programs should be strictly educational, not commercial, and only of a public service nature. They should reinforce healthy lifestyles ... and should complement the school curriculum.
 - Exclusive vending machine contracts with schools that require the promotion of Heinz brands or products should be avoided
 - Creation of "clubs" should be done with care and should not be communicated in a way that leads children or youth to believe they are joining a "club" if the activity is limited to the purchase or the acquisition of a product or premium.

Hormel Foods Corporation

Established position on obesity:

Marketing

- Promote healthy eating, active behaviors and balanced lifestyles
- Provide information to consumers on how to achieve good nutrition through their food choices
- Whenever possible, feature active people and families on marketing and communications materials
- Avoid encouraging over-consumption with any of its products
- Provide recipes and information on how to include our products in a balanced lifestyle
- Exemplify its position by sponsoring active lifestyle events and venues for both our employees and consumers
- Ensure all materials are reviewed for accuracy and compliance and involve the internal Claims

APPENDIX 1 IV. Advertising and Marketing continued

Review Board to manage this process

Continue to promote health and wellness program for employees by way of the Hormel Foods
 Wellness program using the company intranet, Xchange, to disseminate useful information

Products

- Continue to ensure Hormel Foods products are clearly labeled with the contents so consumers can knowledgeably select the products that are best for them and their lifestyle
- Provide accurate, easily-readable nutritional information on all our products, even within countries that do not have labeling and nutritional standards
- Ensure all labeling conforms to the standards that have been developed by the Nutritional Labeling and Education Act, the Food and Drug Administration, and the U.S. Department of Agriculture
- Make it easier for people to eat properly by having appropriate portion sizes listed on all of our products
- Promote innovation and create "value-added" products that make it quick and easy for people to prepare a wide variety of great, satisfying and healthy meals for breakfast, lunch and dinner
- Continue to monitor and listen to consumer lifestyle trends and to develop products to meet those needs

Public Policy

- Support appropriate legislation, regulations and public policy around nutrition for food manufacturers and food service organizations
- Convey to policymakers that Hormel cares about the health of Americans and is committed to providing safe and wholesome food products
- Focus on stewardship and the future while maintaining its reputation as among the best known and most trusted in the food industry

Hormel will not:

- · Dictate standards of behavior; we believe in personal choice
- Provide misleading or exaggerated information to our consumers on our packaging or in our marketing materials

Kellogg Company

 Kellogg Company has worldwide internal guidelines for the marketing and communication of food to children.

Kraft Foods

- Introduced Sensible Solution labeling programs in the United States featuring a prominent on-pack "flag" for food and beverage products that meet specific, "better-for-you" nutrition criteria that Kraft has established for each category of products
- Shifted the mix of products it advertises in television, radio, and print media viewed primarily by children ages 6-11, such as many popular carton programs, toward products that qualify for the flag, and phased out advertising in these media for products that don't. This means that, over the course of 2005, a number of well-known Kraft products including regular Kool-Aid beverages, Oreo and Chips Ahoy! cookies, several Post children's cereals, and many varieties of Lunchables lunch combinations will no longer be advertised in these media. Kraft will continue its existing policy of not advertising in media with principal audience under age 6.

McKee Foods Corp.

No advertising during children's programming

GMA REPORT

U.S. Food and Beverage Industry Initiatives on Diet, Physical Activity and Health

APPENDIX 1 IV. Advertising and Marketing continued

Nestlé USA

- Adhere to CARU guidelines
- Nestlé Consumer Communication Principles
- Communication must not undermine the authority of parents.
- Communication must not create a sense of urgency ("must have it now").
- Products must not be shown in excess consumption.

PepsiCo

- Do not target advertising to children under the age of 8
- Adhere to CARU; OMD Media Buy Guidelines
- Delivering healthy food and beverage solutions to schools Introduced dozens of new items for schools that meet its BFY/GFY standards
- In 2003, 17,000 vending machines devoted exclusively to Aquafina bottled water and Gatorade were placed in schools.
- Developed a new schools policy designed to increase the presence and visibility of its healthier products. For elementary schools, offer water and 10 percent juice. For middle schools, include water and juices plus beverages that are nutritious or no calorie. For high schools, provide a variety of beverages. No more than 50 percent of the vending selections will be soft drinks.
- Promoting Healthy Kids Lifestyles PepsiCo Health is Power initiative, in partnership with the American Snack Food Association, is giving the front lines the products, program information and personal wellness tools that will allow them to lead by example and bring wellness solutions back to their schools
- America on the Move National presenting sponsor of America on the Move. PepsiCo's special
 emphasis is on bringing the concept of energy balance, along with fun and achievable ways to get
 started, to elementary age kids.

Sara Lee Corporation

- Consistent with CARU guidelines
- Classrooms are advertising-free zones for food products

APPENDIX 1 IV. Advertising and Marketing continued

V. Workplace Wellness

The 2005 GMA Company Health and Wellness Initiatives Survey included the following question and responses relating to workplace wellness:

Does your company provide employees with any of the following benefits to encourage improved nutrition, regular physical activity and overall wellness?

- 60 percent provide health insurance incentives for nutritional counseling or gym memberships
- 80 percent provide on-site weight loss programs or nutritional counseling
- 73 percent provide on-site fitness centers or recreation areas
- 80 percent offer wellness newsletters
- 68 percent offer flextime to allow employees to go to the gym during the day
- 90 percent provide a work environment conducive to regular, daily activity? (e.g., taking the stairs instead of the elevator)

The 2005 GMA Workplace Wellness Survey covers the following subject areas:

- Wellness program offerings, including those in the areas of nutrition, physical activity, adoption of
 healthier lifestyles/weight loss management, health services/screenings, health risk assessments,
 wellness information and employee assistance
- Company support for workplace wellness, including cash incentives, insurance premium credits, management involvement and financial commitment
- Communications support for workplace wellness, with questions asking how information about the company's wellness programs is disseminated to employees (e.g., through in-house meetings, Web site, e-mail, company newsletters/brochures/posters) and how often
- Measurement of the effectiveness of wellness programs through participation/use, reduced health
 insurance claims, changes in body mass index, fitness assessments, absenteeism and examples of
 companies' existing tracking and monitoring mechanisms
- Results of the wellness programs, including the original objectives and whether there is an annual review or performance guarantees with vendors

APPENDIX 2

Principles for the Dietary Guidelines of Americans

- 1. They must be relevant to how consumers live today and their evolving complex lifestyles.
- 2. They must recognize the important and positive role that the enjoyment of food plays in our family, cultural and social lives.
- 3. They should help Americans lead healthy, active lives by providing consumers with guidance on nutrition AND physical activity and balancing their caloric intake and their energy expenditure.
- 4. They must recognize the different nutritional and activity needs of children, adults and senior citizens.
- 5. They must recognize the different circumstances of and communicate effectively to diverse populations such as Hispanics and African Americans.
- 6. They must be based on peer-reviewed science.
- 7. They should provide parents and educators with the tools they need to be effective role models and to teach children health habits early.
- 8. They must be supported by nutrition and physical education programs that have been demonstrated to be effective.
- 9. They must include clear measurement and evaluation so that we will know if they are making a meaningful difference for public health.
- 10. The Dietary and Physical Activity Guidelines and the Food Guide Pyramid development processes should be effectively aligned, so that the guidance and education we provide consumers are consistent.

APPENDIX 2

continued

Industry Position Statement on School Wellness Policy

I. General Principles

- A. The food and beverage industry remains committed to improving student wellness and working alongside educators to promote healthful eating and active lifestyles as part of a comprehensive student wellness policy.
- B. The food and beverage industry looks forward to continuing its partnership with schools, in part by providing useful and timely health and nutrition information, and also by offering healthful food and beverage choices for students.
- C. The food and beverage industry supports the tenets of the Dietary Guidelines for Americans 2005, especially the major emphases of the Guidelines which call for:
 - getting adequate nutrients within calorie needs;
 - increased physical activity levels;
 - increased intakes of fruits, vegetables, whole grains, and low-fat or fat-free dairy foods;
 - managing intakes of saturated fat, trans fat, cholesterol, sugars, and sodium.

II. Nutrition Education, Physical Activity and Wellness Policy

- A. In order to successfully address childhood obesity, the food and beverage industry supports
 Institute of Medicine and U.S. Department of Agriculture recommendations that school systems
 should work to address the factors that influence both eating and physical activity.
- B. The food and beverage industry pledges its creative resources to support curricula, programs and an educational environment that are designed to support healthful eating behaviors, improve students' ability to make healthful dietary choices and work in concert to increase students' physical activity.
- C. As part of its commitment to working alongside educators to promote healthful eating and active lifestyles among students, the food and beverage industry stands ready to work closely with school systems to preserve and maintain an educational environment that does not compromise educational objectives.

III. Foods and Beverages Sold In Schools

- A. The food and beverage industry supports school systems' initiatives to adopt robust school wellness policies that address health, nutrition and fitness education, and supports the goals of schools that include adhering to Federal School Meal Program guidelines that require limiting access to "competitive foods" (i.e. foods sold outside the federal meal program).
- B. The food and beverage industry pledges to be responsive and respectful of individual school systems' choices regarding all food and beverages. Furthermore, the industry pledges to do its part to ensure that companies operate in compliance with federal, state and local requirements.
- C. To support school systems' initiatives to improve overall student wellness, the food and beverage industry will continue to develop and offer healthful food and beverage options as well as ageappropriate serving sizes.
- D. For all competitive foods, the food and beverage industry supports school wellness policies that include the following principles:
 - The sale of competitive foods and beverages during the school day in elementary, middle and high schools should emphasize options that meet the Dietary Guidelines' goals of moderating intake of calories, saturated fat, trans fat, cholesterol, sugars and sodium while encouraging

GMA REPORT

U.S. Food and Beverage Industry Initiatives on Diet, Physical Activity and Health

APPENDIX 2
Industry Position
Statement
on School
Wellness Policy

continued

fruits and vegetables, low and fat-free dairy, and whole grains.

- Competitive food and beverage offerings should provide an age-appropriate mix that is also appropriate to the school level, with the product mix determined by school systems.
- Elementary School: Emphasize options that are consistent with the Dietary Guidelines. This will help elementary-school-age students to form good nutritional habits.
- Middle/High School: Ensure options that are consistent with the Dietary Guidelines are
 offered as part of a broad choice of foods and beverages. This will also allow middle- and
 high-school-age students to develop their ability to make their own healthful nutrition
 choices.
- The food and beverage industry supports the use of age appropriate calorie limits to teach students about calorie control and appropriate serving sizing. These calorie limits should be set by local school policy makers and should be determined by the activity level of the students.
- The food and beverage industry supports school policymakers' continued use of vending machines as a way for schools to maintain complete control over choices of offerings, as well as location and times of operation.

GMA Board Statement and Guiding Principles for the Food and Beverage Industry on Diet, Physical Activity and Health

STATEMENT OF COMMITMENT

The food and beverage industry is committed to help arrest and reverse the growth of obesity around the world. Achieving this goal will require multiple strategies, the integrated efforts of many sectors, and long-term resolve. We are committed to doing our part and will support others in doing theirs.

APPENDIX 2

continued

GUIDING PRINCIPLES

- We play an essential role in providing consumers with safe, nutritional, enjoyable and affordable food.
- We can make a significant contribution by intensifying our efforts to provide a wide range of nutritious product choices and marketing these choices in ways that promote healthy lifestyles.
- We are committed to using our scientific knowledge and technological expertise to continue to research, develop and offer, in all distribution channels, a range of food products to meet many consumer needs, including nutrition, taste, convenience and value.
- We believe that maintaining a healthy weight and achieving optimal health and wellness throughout
 life require a balance of physical activity and nutrition, tailored to meet each individual's needs,
 preferences and lifestyle. Balancing calorie intake and energy output is essential to maintain a healthy
 body weight.
- We recognize that "food" is the "energy input" side of the healthy weight equation and will work with other stakeholders to promote improved understanding of nutrition.
- We will communicate clearly in labeling, packaging and advertising to enable consumers to make informed choices that best meet their lifestyle needs and physical activity levels.
- A variety of communication tools will be utilized including nutrition labeling, in-store communications, customer care line and web-site information.
- We will advertise responsibly, and will continue to take into account the special needs of children.
 We will encourage effective voluntary, national self-regulatory mechanisms promoting responsible advertising and marketing.
- We recognize the importance of healthy lifestyles and will work with partners, including retailers, government and health professionals to extend the healthy lifestyle message.
- We will support efforts to increase physical activity, and to enhance nutrition education through
 partnerships with other stakeholders including public health authorities, healthcare, educational,
 government and others.

APPENDIX 2 continued

GMA Principles of Food and Beverage Product Advertising

The members of the Grocery Manufacturers Association are committed to adhere to principles of responsible consumer communication, and have long subjected their advertising to rigorous internal review. Responding to the public interest in transparency of advertising standards, GMA has drawn upon the experience of its members, and is publishing the core principles that we believe should guide the development, execution, placement and monitoring of food and beverage advertisements. GMA is offering these principles as a recommendation to all companies that advertise food and beverage products.

The law requires advertising to be truthful and substantiated and prohibits advertising that misleads the audience to which it is presented. The principles listed below incorporate those mandates, and also reflect the best practices of the best programs that food and beverage companies apply to address the demands and circumstances of their consumers — both children and adults.

In addition to each company's own set of internal principles, grocery manufacturers have supported and will continue to support advertising self-regulatory organizations. GMA members will adhere to the sound standards set by such bodies as the National Advertising Division and the Children's Advertising Review Unit of the Council of Better Business Bureaus.

A person's health is affected by a multiplicity of factors, including genetic predisposition, dietary habits, activity level, and food availability. Information gained from advertising can, for example, help consumers make informed choices about their diets. This is because advertising can help convey information to consumers with respect to nutritional benefits, balance, moderation and variety, in addition to taste and enjoyment in a healthy diet. These principles are intended to help advertising play such a role.

Public health is the responsibility of all stakeholders. The food and beverage industry is committed to playing its part by working with interested persons in empowering consumers to choose diets and levels of physical activity which can positively impact their health and well being. This will require multiple strategies, and the integrated efforts of manufacturers, retailers, public health officials, educators, dietary professionals, as well as many others.

Ultimately, what a person eats and how active a lifestyle is followed is a question of personal choice and individual responsibility. The food and beverage industry has committed itself to playing a positive role in helping consumers to make these choices with the benefit of advertising that adheres to sound fundamental principles.

GENERAL PRINCIPLES IN THE CONTEXT OF FOOD AND BEVERAGE ADVERTISING

- Copy, sound, and visual presentation of food products should accurately represent all material characteristics advertised including size, and content, as well as nutrition and health benefits and should not mislead consumers concerning any of those characteristics.
- Nutrition and health benefit claims should have a sound scientific basis.
- Food and beverage advertisements should not encourage or condone excess consumption and portion sizes should be appropriate to the setting portrayed.
- Where a food or drink product is presented in the context of a meal, a reasonable variety of foods should be shown, to reflect generally accepted good dietary practice.
- Food and beverage advertisements should not undermine the promotion of healthy, balanced diets.
- Food and beverage advertisements should not undermine the promotion of a healthy, active lifestyle.
- Food products not intended to be substitutes for meals should not be represented as such.

APPENDIX 2 continued

ADDITIONAL PRINCIPLES FOR FOOD AND BEVERAGE ADVERTISING TO CHILDREN

The same principles that are applicable to general advertising also apply to advertising directed to children. Advertising is a valuable source of information to them as well, but advertisers must take into account the abilities and judgment that children at various stages of development can be expected to bring to the understanding of communications.

- Advertisements should not mislead about potential benefits from the consumption of a product.
- Food product advertisements should not undermine the role of parents and other appropriate adult role models in providing valuable dietary guidance.
- Advertisements should not include any direct appeal to children to persuade their parents or other adults to buy advertised products for them.
- Advertisements directed toward children should not create a sense of urgency.
- While fantasy, including animation, is appropriate in communication with younger as well as older children, care should be taken not to exploit a child's imagination in a way that can encourage poor dietary habits.
- Products derived from or associated with TV program content primarily directed to children should not be advertised during or adjacent to that program.
- Broadcast or print media personalities (live or animated) should not be used to sell products,
 premiums or services in a way that obscures the distinction between program or editorial content
 and commercial promotion. For example, commercials or advertisements featuring characters from
 programs or publications primarily directed to children should not be adjacent to programs or articles
 in which the same personality or character appears.

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APPENDIX C

To Comments of the Grocery Manufacturers Association

FTC Request for Information and Comment on Food Industry Marketing to Children and Adolescents Comment - Project No. P064504

Written Submission of Manly Molpus President and CEO, Grocery Manufacturers Association

On Behalf of

Campbell Soup Company; General Mills, Inc.; The Hershey Company; Kellogg Company; Kraft Foods Inc.; Nestlé USA; PepsiCo, Inc.; Sara Lee Corporation; Unilever United States, Inc.

Federal Trade Commission and Department of Health and Human Services Public Workshop on Marketing, Self Regulation and Childhood Obesity July 15, 2005

<u>Proposals to Strengthen Advertising Self-Regulation and to Encourage Public-Private</u>
Initiatives Promoting Healthy Lifestyles

We would like to thank Secretary Leavitt and FTC Chairman Majoras for their leadership in building understanding around the role of marketing in fostering healthy children's lifestyles. We particularly appreciate this opportunity for the food and beverage industry to participate in the FTC-HHS workshop on July 14-15.

As companies in the food and beverage industry who are also supporters of CARU, we recognize that we have a unique opportunity to help make a spectrum of food choices available to everyone, especially to children, and to use our marketing resources to promote both healthy eating and healthy activity choices. In support of that, we also understand that meaningful, robust self-regulation of children's marketing is in everyone's interest.

We believe the self-regulatory system managed by the National Advertising Review Council and implemented through the National Advertising Division ("NAD") and the Children's Advertising Review Unit ("CARU") has worked well over the years and ensures that advertising meets the highest standards of truth and accuracy. We believe self-regulation can be an even more effective tool and that CARU, in particular, can play a major role in that effort.

In that spirit, we have offered our support to the NAD and CARU for strengthening their efforts in several important respects. In suggesting these improvements, we strongly believe that CARU can continue to be the standard for strong, effective, and credible self-regulation of advertising that American consumers can count on. We will re-commit ourselves to that goal and pledge our companies to providing the financial support that is required.

- 1. <u>Build CARU's resources and enforcement capacity</u>. We believe that CARU staff and resources must be substantially increased in order to effectively implement several of the recommendations suggested here. In addition to ensuring adequate enforcement capacity, expanded staff will allow CARU to continuously improve its effectiveness, and to ensure improved consumer access as described below.
- 2. <u>Improve direct consumer access</u>. We believe consumers, especially parents, should have immediate and direct access to CARU for purposes of expressing concerns about specific advertisements and about children's advertising in general. That could be accomplished by establishing a toll-free consumer response line and website, publicizing the existence of both, and responding to consumers directly regarding complaints and comments.
- 3. <u>Improve transparency</u>. We believe a summary of CARU's regulatory activities should be available to the public on the CARU website and should include a review of complaints filed, against whom, and on what general topic, in addition to final resolutions of those complaints. While such information is provided in written reports to subscribers and is public information, we believe the website ought to provide easy access to an overview of the scope of CARU's regulatory activities.
- 4. <u>Broaden involvement and advice to CARU on matters of children's health</u>. We support augmenting CARU's external advisory boards to provide more expertise on matters related to health, wellness and nutrition and including parents, educators, nutritionists, fitness experts, behavioral experts, and experts on FTC and FDA policy. The expanded advisory board could:
 - Provide expert guidance to the CARU staff during the advertising monitoring and review process.
 - Advise the National Advertising Review Council on suggested improvements to the existing guidelines.
 - Work with advertisers to develop approaches that encourage constructive and consistent healthy lifestyle messages.
- 5. <u>Strengthen voluntary pre-dissemination review of ads.</u> We support strengthening the existing mechanism for pre-review of advertising with the goal of preventing advertising that is not consistent with CARU's guidelines from reaching the marketplace. We envision this as a voluntary mechanism that could be strengthened through the participation by members of an expanded staff and advisory board.
- 6. Ensure CARU's guidelines address certain marketing practices as follows:
 - Expand CARU's guidelines to address advertising contained in commercial computer games, video games and interactive websites.
 - Prohibit paid product placement on children's programming.
 - Appropriate use of third-party licensed characters in advertising.

7. <u>Build a closer working relationship with FTC and HHS.</u> We believe robust self-regulation requires effective support from both industry and government. To that end, we would encourage the FTC to look for ways to strengthen its relationship with CARU.

In addition, we believe that government can play a role in helping support private sector initiatives to promote healthy lifestyles. In that regard, we have two recommendations:

- 1. <u>Develop an HHS award program that recognizes companies for promoting healthy lifestyles</u>. We believe that healthy lifestyles originate with healthy environments and individual choices. The private sector, across a wide range of industries, can make a significant contribution by helping to provide consumers with the knowledge, motivation and options to make healthy choices and build healthy habits. An HHS-sponsored program that defines and recognizes meaningful contributions in areas such as employee health and wellness, community activities, consumer communications, product development and public-private partnerships could have a significant impact in mobilizing private sector actions.
- 2. <u>Maintain federal funding for healthy lifestyle communication programs, like the HHS/Ad Council "Small Steps" campaign and the CDC's VERB program or successor campaign.</u> By supporting the development of comprehensive communication programs, among a wide constituency, the government is not only building awareness, particularly among children, but is substantially contributing to the knowledge base around successful behavioral interventions.

Once we've received feedback on our suggestions for strengthening self-regulation from FTC, HHS and other stakeholders at the Workshop, we propose that a task force be assembled to move these ideas swiftly forward, with a fixed deadline for finalizing an implementation plan for the agreed-upon improvements.

Thank you for your efforts to further understanding and promote constructive solutions. We look forward to your reactions and would welcome further discussions.